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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, You have planned perfectly for the balance of our listening and speaking. Help us to do both well. You have called us to listen to You in prayerful meditation on Your truth revealed in the Bible. You also speak through Your Spirit to our inner being. Sometimes You shout to our conscience; other times it is a still small voice that whispers to our souls. The world around us asks, ''Is there any word from the Lord? What does He want? Is what we are doing in plumb with His plans?''

When we have listened to You, what we have to say cuts to the core of issues. We are decisive and bold. Our voices ring with reality and relevance.

The psalmist longed for this equipoise. He prayed, ''Let the words of my mouth and the meditation of my heart be acceptable in Your sight, O Lord, my strength and my Redeemer.''—Psalm 19:14.

Bless the men and women of this Senate with the grace to hear Your voice and then speak with an echo of Your guidance and wisdom.

Now we join our hearts in intercession for the people of central Florida whose homes and communities have been devastated by tornados. Bless Senators BOB GRAHAM and CONNIE MACK as they care for their people. Especially, be with those families that have lost loves ones. Comfort and strengthen them. Through our Lord and Saviour. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, this morning the Senate will be in a period of morning business until 10:30 a.m., as under the previous consent order. At 10:30 a.m., the Senate will resume consideration of S. 1663, the campaign finance reform bill. Also, under the previous unanimous consent order, the time from 10:30 a.m. until 12:30 p.m. will be equally divided between the opponents and proponents of the legislation.

In addition, by consent, from 12:30 p.m. to 2:15 p.m., the Senate will recess for the weekly policy luncheons to meet. Following those luncheons, at 2:15 p.m., the Senate will resume consideration of the campaign finance reform bill, with the time then going until 4 o'clock being equally divided between the opponents and proponents.

Following that debate, at 4 p.m., the Senate will proceed to a vote in relation to the pending McCain-Feingold amendment. Therefore, the first rollcall vote today will occur at 4 p.m. Senators can also anticipate the possibility of additional votes after that vote on the McCain-Feingold amendment. But we do not have a definite time agreement on that presently. Before the 4 o'clock vote, we will notify Senators about the schedule for the remainder of the day.

I yield the floor, Mr. President.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business.

Mr. BOND addressed the Chair.

The PRESIDENT pro tempore. The Senator is recognized.

Mr. BOND. Mr. President, I thank the Chair.

(The remarks of Mr. BOND pertaining to the introduction of S. 1669 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BOND. Mr. President, I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. BOND). The able Senator from West Virginia.

THE HIGHWAY BILL

Mr. BYRD. Mr. President, other Senators and I have spoken numerous times over the past several weeks about the significant problems that will arise in States across the country if the Senate further delays action on the highway bill. Each day we delay adds to the burden of commuters sitting in traffic that is often moving at a crawl or brought to a complete stop because many of our highways are simply overcrowded. Each day we delay brings us closer to the May 1 deadline—just 39 session days away from today. That includes today—39 days. The time bomb is ticking. Senate session days remaining before May 1 deadline: 39. That includes May 1 as it includes today.

Since 1969, the number of trips per person taken over our roadways increased by more than 72 percent and the number of miles traveled increased by more than 65 percent.

The combination of traffic growth and deteriorating road conditions has led to an unprecedented level of congestion, not just in our urban centers but in our suburbs and rural areas as well. Congestion is literally choking our roadways as our constituents seek to travel to work, travel to the shopping center, to the child care center, and to the churches. According to the Department of Transportation, more travelers, in more areas, during more hours are facing high levels of congestion and delay than at any time in our

history. And these congested conditions make us more susceptible to massive traffic jams as the result of even the most minor of accidents. The DOT tells us that, during peak travel hours, almost 70 percent or the urban interstates and just under 60 percent of other freeways and expressways are either moderately or extremely congested. That is lost man hours, reduced productivity, wasted fuel, and wasted time.

The worsening congestion is taking a horrible toll on our economic prosperity. I direct the attention of my colleagues to a study conducted by the Texas Transportation Institute at Texas A&M University. According to the Institute's study, the annual cost of highway congestion in our nation's 50 most congested cities has grown from $26.6 billion in 1982 to almost $53 billion in 1994. In other words, it has doubled. Delay accounted for 85 percent of this cost, while fuel consumption accounted for 15 percent. While more recent data are still being collected, the Institute's researchers state that, in the last four years, the cost of congestion in these cities has only continued to grow. This multi-billion dollar hemorrhage is found not only in our largest cities where eight of the top ten cities had total annual congestion costs exceeding $1 billion; we find congestion taxing severely the economies of several small- and medium-sized cities as well. According to the Institute, the economy of Albuquerque, New Mexico endures an estimated annual cost of congestion approaching $150 million per year; Memphis, Tennessee— almost $150 million per year; Nashville, Tennessee—almost $200 million per year; Norfolk, Virginia— more than $350 million per year; Columbus, Ohio— more than a quarter of a billion dollars per year; Jacksonville, Florida—more than $350 million per year; and San Bernadino-Riverside, California—over $1 billion per year.

There are a lot of explanations for traffic congestion's growing impact on our cities, but a principal cause of congestion, clearly, is the fact that road mileage has not kept pace with a growing population, a growing work force, and an American lifestyle in which the personal mobility afforded by automobiles is as essential to daily life as are eating and sleeping. Many people say that Americans have a love affair with their cars. More than a love affair, however, Americans simply depend on their cars to squeeze their myriad chores and activities into a busy work day.

A vehicle is one tool that many American workers cannot do without. They do not just drive to and from work anymore. Americans stop at the day care, the grocery store, the dry cleaners, the PTA meeting, the gymnasium, and at volunteer programs, all in the course of driving to and from work. Transportation researchers call this phenomenon ''trip-chaining,'' and it is a trend that continues to grow and shows no sign of slowing.

While the size of our highway network has remained relatively static for years, the condition and performance of those roads has deteriorated. Poor road and bridge conditions must share part of the blame for our nation's congestion problem. According to a 1995 U.S. Department of Transportation's report to Congress, 28 percent of the most heavily traveled U.S. roads are in poor or mediocre condition. That means that those roads need work now—work now—to remain open and protect the safety of the traveling public. And more than 181,000 bridges, or 32 percent of our nations' 575,000 bridges, are in need of repair or replacement, including 70,000 bridges built in the 1960's and designed to last 30 years under 1960's travel conditions. These roads and bridges that have outlived their useful life or that are falling apart from under-investment often are traffic choke-points that can be corrected with the proper repairs.

And Senators don't have to travel very far away to see the traffic choke-points, as they attempt to cross the bridges, get on the bridges and cross the Potomac every morning and every evening. It took me an hour and 15 minutes to get from my home in McLean, 10 miles away, this morning, to get to my office because of traffic congestion feeding into the streets, and feeding on and feeding off the bridges. We have to get across that Potomac. As I say to my colleagues, we don't have to travel far to see these choke-points working against us, against the traveling public.

If Senators would like examples of a choke points, they need look no further than the bridges that cross the Potomac River. Most of these bridges were not designed to carry the traffic that accompanies the morning and evening rush hours. As a result, traffic jams back up for miles every work day, in both directions. That is the gridlock that poor roads and bridges can cause. I am sure that if Senators contact their own state transportation departments, they will find numerous examples of traffic choke-points in their own states where a new bridge, smoother pavements, where an additional lane would alleviate the problem and get people and freight moving again.

And congestion means more than just economic costs. Obviously, congestion costs Americans time that could otherwise be spent with the family, with those children who are coming in from school and times that otherwise could be spent at work, time that could be otherwise spent in school or elsewhere. According to a study by the Texas Transportation Institute, commuters in the country's 50 largest urban areas lose an average of 34 hours each year idling in traffic. Now that is not only time wasted, it is not only gasoline wasted, it is pollution in the air.

Another, and equally important, cost of congestion is, as I say, its impact on air quality. As cars and trucks are slowed by traffic congestion, they emit more pollutants, thereby impeding efforts in many parts of the country to come into compliance with federal air quality standards. Road improvements aimed at smoothing the flow of traffic can reduce auto-related pollutant emissions substantially. All such improvements, however, cost money. And the Senate should be doing everything possible to ensure that our state and metropolitan officials do not run out of federal highway funds that can help them relieve congestion and improve air quality.

Today, Mr. President, Americans rely on automobiles for 90 percent or more of all trips. In many areas of the country, we need additional highway capacity to accommodate that travel. And federal highway funds are often a critical source of capital for these projects.

What can we do about congestion, Mr. President? What can Congress do to help eliminate the $53 billion annual burden borne by commuters in our large cities? What can we do to give people more time at home with their families or on the job instead of stuck in traffic? What can Congress do to our cities and counties to help their air quality?

Probably the single most important action Congress can take to help alleviate these problems is the prompt enactment of the 6-year highway bill. That bill is on the Senate calendar, ready to go, and the country cannot afford to wait any longer. The May 1 deadline after which States will have no more Federal money—the Governors are in town and I hope that some of them are watching the Senate at this moment—the May 1 deadline after which States will be unable to obligate any more money, and if there is any doubt as to whether or not the States may obligate any more money after midnight, May 1, take a look at what the law says, public law 105–130, the Surface Transportation Extension Act of 1997, which is the short-term highway authorization that Congress passed last November before adjourning Sine die.

Here is what it says. This is the law. ''. . . a State shall not''—it doesn't say it may not—''. . . a State shall not obligate any funds for any Federal-aid highway program project after May 1, 1998 . . . .''

There it is. That is the law. Unless a new law is passed that will be the law on midnight, May 1, all the highway departments throughout the country, the Governors and mayors and other officials and the employees of the various highway agencies throughout the country, will feel the pinch. So the May 1 deadline, after which States cannot obligate new Federal money to finance congestion relief projects, as I say and I repeat it, is just 39 session days away—including today and including May 1. It is drawing nearer with every passing minute.

Mr. President, we cannot afford to delay. Our constituents stuck in traffic

jams need our help. They want their highway taxes used to get them out of gridlock, but we cannot do that while the Senate is stuck in legislative gridlock. I urge the majority leader to get the Senate—and the country—out of gridlock by calling up the highway bill now.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, February 23, 1998, the Federal debt stood at $5,519,492,792,898.57 (Five trillion, five hundred nineteen billion, four hundred ninety-two million, seven hundred ninety-two thousand, eight hundred ninety-eight dollars and fifty-seven cents).

Five years ago, February 23, 1993, the Federal debt stood at $4,195,090,000,000 (Four trillion, one hundred ninety-five billion, ninety million).

Ten years ago, February 23, 1988, the Federal debt stood at $2,472,592,000,000 (Two trillion, four hundred seventy-two billion, five hundred ninety-two million).

Fifteen years ago, February 23, 1983, the Federal debt stood at $1,207,534,000,000 (One trillion, two hundred seven billion, five hundred thirty-four million).

Twenty-five years ago, February 23, 1973, the Federal debt stood at $452,993,000,000 (Four hundred fifty-two billion, nine hundred ninety-three million) which reflects a debt increase of more than $5 trillion—$5,066,499,792,898.57 (Five trillion, sixty-six billion, four hundred ninety-nine million, seven hundred ninety-two thousand, eight hundred ninety-eight dollars and fifty-seven cents) during the past 25 years.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). Without objection, it is so ordered.

CAMPAIGN FINANCE REFORM

Mr. DASCHLE. Mr. President, I want to thank those who have participated thus far in this debate about campaign reform. I am sure that many of those who view C-SPAN with any regularity are experiencing a sense of deja vu about this debate, wondering whether or not we haven't already had debate very similar to this and whether we are not stuck in the same spot, whether we are ever going to stop talking about it and actually start moving toward some resolution. Today we are about to find out. This will give us the opportunity for the first time to vote this afternoon at 4 o'clock to indicate to the American people that, indeed, we have resolved to deal with the extraordinary problems that we have in campaign finance today. This is probably going to be our best chance in a generation for meaningful campaign reform, and a clear-cut vote is something that will allow us to move to that next step toward resolution. We do not need any procedural excuses, no amendment trees, no obfuscation. This will be clearly an up-or-down vote on the McCain-Feingold bill, through a tabling motion, that we have sought now for some time.

The vote on Senator MCCAIN's amendment answers the question, are you for reform or not? A vote against McCain-Feingold is a vote, in my view, to end reform, at least for this Congress, once again. I am very proud of the fact that each one of the members of the Democratic caucus will stand up and be counted. And my hope is that a number of Republicans will join us in this effort. The only question is how many Republicans and Democrats will come together in the middle to make this a reality this afternoon.

I believe the fate of campaign reform rests in the hands of those who have not yet publicly taken their positions with regard to campaign reform. It has been a generation since the last time we passed any meaningful legislation having to do with campaigns. In 1971 and in 1974, Congress enacted major reforms that first limited the amount of money in politics and, second, required candidates for the first time to disclose how they got their money. Today those laws are outdated and virtually useless, and some have been circumvented by new decisions and, as a result of those decisions, loopholes that have been created in the campaign finance law.

Other aspects of that reform effort in 1971 and 1974 today are unenforced or completely unenforceable because of the systematic defunding of the FEC, the Federal Election Commission. Still others have been overturned by narrow and, many believe, incorrect court decisions. Many reforms were thrown out by the Supreme Court in 1974 in the 5-to-4 ruling, a very controversial ruling, in Buckley v. Valeo.

So, for the last 23 years now, Democrats have tried to overcome obstacles put in place by the Buckley ruling and to pass a campaign finance reform modification, a realization that what happened in 1974, and what was addressed in that Court decision, needs to be addressed with clarification in statute.

So, consider the record of a decade, beginning in 1988. At the opening of the 100th Congress, then majority leader ROBERT BYRD introduced a bill to limit spending and reduce special interest influence. We had a record-setting eight cloture votes when that happened. Democratic sponsors modified the bill to meet objections, but the fact is that it was killed in a Republican filibuster.

In the Democratic-led 101st Congress, the House and the Senate passed campaign finance bills. President Bush threatened to veto the bill, effectively killing it, because it contained voluntary spending limits.

In the 102d Congress, also a Democratically-led Congress, again the House and Senate passed campaign finance reform bills and President Bush vetoed the bill with the backing of all of his Republican filibuster.

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In the 103d Congress, again under Democratic control, we passed a campaign finance reform bill with 95 percent of the Democrats in the Senate and 91 percent of the Democrats in the House voting for reform. Again, Republicans filibustered the move to take the bill to conference.

That brings us, then, to the 104th Congress, supposedly the reform Congress. Senators MCCAIN and FEINGOLD introduced their bipartisan reform plan, and reform at that point, for the first time in almost 2 decades, actually seemed to be within reach. Republicans, again, in the Senate, filibustered the measure, while Republicans in the House introduced a bill to allow more spending—a family of four would have been able to contribute $12.4 million in Federal election. The legislation again failed to produce results of any kind. As a result of that impasse, nothing was done for the remaining months of the 104th Congress, which now brings us to this Congress and last year.

In his State of the Union Message in January of 1997, President Clinton called on Congress to pass campaign finance reform by July 4, 1997. In the House, Republicans have voted time and again against bringing campaign finance reform to the floor. Speaker GINGRICH has promised consideration this year, but also shook hands with the President on a campaign reform commission that really never came to pass. Here in the Senate, we have traveled a tough road to get here today. We forced our way to the floor and refused to yield; poison pills, amendment trees and cloture votes were all tactics used, and this is probably the last opportunity we have to do something meaningful in the 105th Congress.

The problem is really one that can be described in one word: money. The amount of money, after two decades of delay, has skyrocketed. That is the fundamental problem. We hear talk in this debate about hard money and soft money, this money and that money. They are not the core of the problem. The core of the problem is that there is just too much money in politics, period. Total congressional campaign

spending in 1975 was $115 million; in 1985, $450 million; in 1995, $765 million. We are expected, for the first time in this cycle, to exceed $1 billion in election year spending, shattering every other record we have ever seen in politics in 220 years. A 73 percent increase over the previous Presidential cycle is anticipated in the year 2000. In other words, what we spend in 2000 on Presidential politics will exceed by 73 percent what we spent in 1996 on Presidential politics. To put that in perspective, wages rose 13 percent, college tuition rose 17 percent—politics has increased in spending 73 percent.

The average cost of winning a Senate seat in 1996 was $4.5 million. To raise that much money, a Senator has to raise approximately $14,000 a week every week for 6 years. Given the current political rate of inflation, by the year 2023, in just 25 years, it will cost $145 million to run for the U.S. Senate.

We have pages on the right and left, Republican and Democratic pages. I talk to them; I look at them; I encourage them to run for public office. But how can I tell them that I want them to run if in their lifetime they will be asking the question: How do I raise $145 million to have the position you have today, Senator DASCHLE? I can't answer that. I don't know the answer to that. And I am troubled by that. What happens if the U.S. Senate is only made up of those who have $145 million to spend? Is it a truly democratic legislative body if we lose the opportunity to bring in families who pay their bills and confront all of the many, many challenges that an American family faces today and has a real appreciation of the enormity of those challenges? If that vacuum, that void, is demonstrated cycle after cycle, year after year here in the Senate, what kind of decisions will this body actually make affecting those working families? If we don't have the broad representation anticipated by our Founding Fathers, do we then have the kind of democracy so anticipated? Mr. President, I don't think we do.

So, indeed, it is not a question of soft money or hard money; it's really a question of money. Do we tell our pages, we want you to be women and men in the U.S. Senate in your lifetime, but we also expect that sometime, if you choose to do so, in order to be successful you will have to raise $145 million? I hope not.

Obviously, this legislation is not going to solve that problem entirely, but it is going to give us an opportunity to deal with it more effectively. At the very least, what we ought to do is recognize that if we do not solve this problem, we are never going to be able to encourage effectively people getting into public life, people expecting to serve in public office.

The antipathy, the skepticism, is reflected in the polls taken of the American people these days. They understand the circumstances. They understand that it is not just a question of a Senator or a Congressman spending inordinate amounts of time and effort raising money. They understand that there is a problem that goes beyond whether or not a young person today, contemplating public office, can come up with $145 million. What they understand is that just the sheer effect of money is as important as the amount of money.

In the eyes of most Americans, the current system makes Congress appear to be for sale to the highest bidder. The recent Harris poll shows it very clearly. Mr. President, 85 percent of people think special interests have more influence than voters; 85 percent, almost 9 out of 10 Americans today, said if you put a special interest and a voter side by side, there is more likelihood that a Senator is going to listen to the special interest than he is to the voter. Three-quarters of voters think Congress is largely owned by special interests. Voter turnout has plummeted, public confidence in this institution has eroded, and democracy simply can't survive with the cynical atmosphere that exists today.

It is just amazing to me as I talk to world leaders who come from all parts of the world, who have not experienced democracy until just recently—they are from countries where they have not had a chance to vote; they are from countries where totalitarian regimes are the order of the day, where their whole lives were dictated by government in large measure that had everything to do with every facet of their lives. Now they have this new-found freedom, and, in an explosion of interest in democracy and the joy of participation, we are seeing record numbers of turnout, 80, 90 percent at the polls. They come from Eastern Europe, they come from Africa, they come from Asia, all expressing to us this profound joy that they now have democracy. But do you know what they say to us? They say, what is amazing to us is that when we look at your country, you have more freedom than we even have today and yet your participation in that freedom is the lowest of any country in the world. How is it that you can be so free and yet so callous towards that freedom, so unwilling to commit to prolonging that freedom, that democracy? And they worry out loud about how long our freedom can last if no one cares; how long will it be before we lose part or all of it because we don't care.

Mr. President, it is so critical that we restore trust and confidence in our democracy, that we recognize we are dealing here with a very, very fragile institution that will rise or fall based in large measure on whether or not we care enough to make participation in democracy a real aspect of this country's future.

So that is, in part, what this is about. Do we care enough? Are we prepared to take the responsibilities seriously that we hold as U.S. Senators to bring back participation, to allow the voters more confidence that we are listening to them and not the special interests, and to deal with the reality—the reality that I can't ask a young person today to come up with $145 million when he or she is my age and wants to run for the U.S. Senate?

We also have a serious problem with regard to the ads themselves and all that comes from spending this money. It is the amount of money, the perception of to whom we are indebted, but now we also have a problem with the virulent advertising that comes from it. I believe that negative advertising is the crack cocaine of politics. We are hooked on it because it works. We are hooked on it because we win elections using it. There is no accountability, no reporting; it is publicly not tied to any candidates. And I expect that in 1998 we are going to see a meltdown of the process, because we are going to see more virulent ads than we have ever seen in our lifetimes. The crack cocaine of politics will be at work again.

Negative ads from anonymous sources push candidates to the margins. Candidates become bit players in their own races. How many times have I heard candidates actually say, ''I couldn't keep track of who was on my side. I'd watch television and I'd hear my name used pro and con, and I didn't have anything to do with those ads. I am sitting like a man at a tennis match, watching both sides play it out.'' And the debate now is defined by who has the most money; that is how it is defined.

The solution to all of this is not going to be achieved today. There are those who look at all of this and contend that nothing is wrong. Some have argued that the system is not broken, that we actually need more money in politics. We believe the system is badly broken, and so do the American people.

They don't want to be subjected to this barrage of negative advertising that we know we are going to see again. They don't want to see the dumbing down of politics year after year, in spite of the fact that we see the creeping up of costs, the explosion in increases in costs.

So it brings us really to the issue of the day: McCain-Feingold. It does not cover all the critical components of reform, overall spending limits, but it lets us at least get off dead center. If it doesn't address the central problem, it does address several problems, including banning one very, very difficult aspect of campaign finance today—soft money; setting restrictions on independent expenditures; better disclosures so people have an idea of who is giving how much to which candidate and why; and it limits the ability of the superrich to buy political office.

So we are here and all 45 Democrats stand ready to pass it. We have made a lot of changes to pick up Republican support. We have dropped spending limits, we have dropped reduced TV rate, we have dropped PAC restrictions, we codified the so-called Beck decision having to do with labor contributions.

There is no more we can do, particularly since McCain-Feingold is the least we should do. We want to do more. If we were in the majority, we would fight to cap spending. The Valeo decision, as I said, was 5 to 4. Mr. President, 126 scholars have said spending limits are constitutional. But we simply can't let the perfect be the enemy of the good. We are confronted with a systemic problem, and we need a systemic solution. We have a chance to make some changes we plainly know are needed to restore some dignity and sanity to this process.

So much time and money in this Congress has been spent already to investigate perceived abuses in the 1996 election. There are cries of outrage, cries of shock and indignation. The American people are cynical because they don't think Congress is going to do anything about it. They believe that the politicians' self-interest will again override the public good. If, after all the hearings, all the press releases, all the statements, all the reports, all the votes, we do nothing, then frankly, Mr. President, that cynicism will be justified.

The American people get it. They know the system is broken. They know we have an opportunity to fix it, but they don't think we will. We should surprise them. We need sincere bipartisan efforts to clean up our own house. We need Republicans to join with Democrats to make that happen this afternoon.

People who think they can quietly kill this effort are wrong. One day, hopefully today, but one day we will succeed. We will not give up. But this is the time to do it. If we squander this opportunity, it will not go unnoticed. If we seize this moment, we can make history and do the right thing for those people who want to be a part of the process, for all Americans, for people who want once more to participate in our Federal elections system. This is our opportunity. Let's do it right. Let's do it this afternoon. I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, morning business is closed.

PAYCHECK PROTECTION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1663, the Paycheck Protection Act, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1663) to protect individuals from having their money involuntarily collected and used for politics by a corporation or labor organization.

The Senate resumed consideration of the bill.

Pending:

McCain amendment No. 1646, in the nature of a substitute.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, I am sorry the Democratic leader has left the floor. I did want to make a couple of observations.

First, with regard to the Buckley case, it was 9 to 0 on the issue of spending is speech. Quoting that great conservative Thurgood Marshall:

One of the points on which all Members on the Court agree is that money is essential for effective communication in a political campaign.

This was an extraordinarily important Supreme Court decision. It wasn't 5 to 4 on any of the critical issues, and, as a matter of fact, Mr. President, the Court has had an opportunity over the last 22 years to revisit the Buckley case in various subcomponent parts and has consistently expanded the areas of permissible political speech.

I heard the Democratic leader saying all of this spending is getting out of control. Bear in mind that what he is saying is that all of this speaking is getting out of control. What he is suggesting, and our dear colleagues on the other side are suggesting, is we need to get somebody in charge of all this speech and, of course, it is the Government that they want to be in charge of all this speech. The courts are not going to allow that. They didn't allow it in the mid-seventies, they haven't allowed it any time they have revisited that issue since, they are not going to allow it now, and they are not going to allow it ever, because it is not the Government's business to tell citizens how much they get to speak in the American political process.

The suggestion was made that all this spending is out of control. I always say, how much is too much? I asked my colleague from Wisconsin during the debate last October, how much is too much? I could never get an answer. Maybe today we can get that answer. How much is too much?

In the 1996 campaign, the discussion was intense. Spending did go up, the stakes were big—big indeed. It was the future of the country—a Presidential election, control of Congress. But we only spent about what the public spent on bubble gum.

Looking at it another way, Mr. President, of all the commercials that were run in 1996, 1 percent of them were about politics. Speaking too much? By any objective standard, of course not. Of course not.

It is naive in the extreme to assume everybody in this country has an equal opportunity to speak. Dan Rather gets to speak more than I do and more than the Senator from New Hampshire does, as do Tom Brokaw and Larry King and the editorial page of the Washington Post. Maybe we ought to equalize their speech. I am saying this, of course, tongue in cheek. But you can make the argument, it is the same first amendment, the same right applies to all of us.

I wonder how they would feel if we said, ''OK, you are free to say what you want on the editorial page, but, henceforth, your circulation is limited to 5,000. We haven't told you what to say, but we think you are saying it to too many people, and so the Government has concluded that this is pollution.''

I heard the Democratic leader talking about all this polluting speech—I am not sure that is the exact word he used —all this negativity, all this hostility. Most of the negativity and hostility I see is on the editorial page of the American newspapers. Maybe we ought to suggest they can't do that in the last 60 days of the election.

There isn't a court in America that is going to uphold this bill. But the good news is they are not going to get it and have the chance to uphold it.

The Democratic leader said we wanted to quietly kill it. We are not quietly killing it, we are proudly killing it. We are not apologizing for killing this unconstitutional bill. We are grateful for the opportunity to defend the first amendment. No apologies will be made, not now, not tomorrow, not ever. The Government should not be put in charge of how much American citizens as individuals or as members of groups or as political candidates or as political parties may speak to the people of this country.

I heard the Democratic leader complain that candidates can't control the campaigns. Well, it is not theirs to control. Of course we don't like issue advocacy. Of course we don't like independent expenditures. But the Supreme Court has given no indication that the political candidates are entitled to control all of the discourse in the course of a campaign. I wish I could control the two major newspapers in my State that are always against what I am doing. It irritates me in the extreme, Mr. President. But I am not trying to introduce a bill around here to shut them up the last 60 days of an election.

The good news is there has been a whole line of court cases on this question of trying to control what is called ''issue advocacy''; that is, groups talking about issues at any time they want to, up to and including proximity to an election.

The FEC has been on a mission for the last few years to try to shut these folks up. They have lost virtually every single case in court. As a matter of fact, in the fourth circuit in a case about a year and a half ago, not only did the FEC lose again, but the court required that they pay the lawyer's fees for the group they were harassing. It was pretty clear, Mr. President, there is no authority to do this.

That is really where we are in this debate. The American people are not expecting us to take away their right to speak in the political process, and the Supreme Court has made it very, very clear. Let me say it again. They have said, unless you have the ability to amplify your voice, your speech is

not worth very much. You could go door-to-door for the rest of your life in California and have no impact on the process. So the Court wisely recognized that citizens under the first amendment had to have their right either as individuals or to band together as a part of a group to amplify their voice.

Spending has been critical in the political process going back to the founding of the country. Somebody paid for those pamphlets that were distributed around the time of the American Revolution. Somebody paid for those.

It is suggested under the most recent incarnation of McCain-Feingold, ''Oh, we are not going to shut them up, we are just going to make them report their donors.'' Put another way, the price for discussing political issues at the end of a campaign is to disclose your donor list. The courts have already dealt with that issue in 1958 in an NAACP case in Alabama, that a group cannot be compelled to disclose its donor list as a condition for criticizing all of us.

This kind of effort to quash speech, to shut up the critics of candidates is not only going nowhere in the Senate, it is going nowhere in the courts. There has been an effort around the country, financed by some very wealthy people. George Soros, when he is not financing a referenda to legalize marijuana, is also financing this effort. And Jerome Goldberg, one of the wealthy financiers on Wall Street, has been providing money to go out and try and get these kinds of referenda on the ballot and approved around the country.

The good news is they are all getting struck down. Even if they are passed, they are getting struck down. It happened in California a couple weeks ago. It happened in Wisconsin. The courts understand the law, and the law is clear, and no effort to circumvent the first amendment, either in Washington in the Congress or community by community or State by State around the country is going to succeed, because the law is clear.

We are not apologetic in defeating this bill. It richly deserves to be defeated. For the moment—I see that there are some colleagues here who wish to speak—let me just recount some of the points from the Buckley case as a way of beginning today's discussion.

As I said earlier, the great conservative Thurgood Marshall said:

> One of the points on which all Members of the Court agree is that money is essential for effective communication in a political campaign.

That is not MITCH MCCONNELL or BOB SMITH, that is Thurgood Marshall. Further excerpts from the Buckley case that we ought to be aware of, the Court said:

> The first amendment denies Government the power to determine that spending to promote one's political views is wasteful, excessive or unwise.

The Government doesn't have the power to do that to individual citizens and groups.

The Court went on:

> In the free society ordained by our Constitution, it is not the Government but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity—

How much we speak—

and range—

What we say—

of debate on public issues in a political campaign.

In other words, this is beyond the province of Government to regulate in our democracy.

The Court went on:

> A restriction on the amount of money a person or group can spend on political communication during a campaign necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached. This is because virtually every means of communicating ideas in today's mass society requires the expenditure of money.

It is a statement of the obvious. It is a statement of the obvious. If it did not require money to communicate, why would Common Cause be doing direct mail finance solicitations all the time? They have to have money to operate. And I do not decry them that opportunity.

The Court observed that even ''distribution of the humblest handbill'' costs money. Further, the Court stated that the electorate's increasing dependence on television and radio for news and information makes ''these expensive modes of communication indispensable''—Mr. President, this is the Supreme Court—''indispensable instruments of [free speech].''

In other words, it is a statement of the obvious. In a country of 270 million people, unless you have the ability to amplify your speech, to amplify your voice so you might have a chance of competing with Dan Rather, Tom Brokaw, and the editorial pages of your newspapers, at least during the last 30 days of your election, you do not have a chance. So we shut down all of these people, Mr. President. It is a power transfer to the broadcast industry and to the print industry in this country, which some of us think have a good deal of power as it stands now.

With regard to the appearance of corruption issue, it is frequently said that all of this money is corrupting the process. The Court held there is ''nothing invidious, improper or unhealthy'' in campaign spending money to communicate— nothing.

With regard to the growth in campaign spending, I heard the Democratic leader projecting some astronomical figure that candidates were going to have to spend in the future. Let me say, there is nobody in the Senate spending all their time raising money. That is said all the time. That is not true. Eighty percent of the money raised in Senate races is raised in the last 2 years, it is raised in the last 2 years by candidates who think they may have a contest.

What is wrong with that? We do not own these seats. If we are in trouble, we are probably going to want to express ourselves in the campaign. And if you are going to express yourself in the campaign, you are not going to write the check for it out of your own bank account. You better get busy to get the resources to communicate your message or you are history.

The Court said, with regard to the growth in campaign spending, ''. . .the mere growth in the cost of federal election campaigns in and of itself provides no basis''—no basis—''for governmental restrictions on the quantity of campaign spending. . .''—no basis.

It is often said that we need to level the playing field. How many times have we heard that? The Court addressed that issue in Buckley as well. The Court said, with regard to leveling the playing field, ''. . .the concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment.'' ''Wholly foreign to the First Amendment''— brilliant and thoughtful words from the Supreme Court in Buckley v. Valeo.

And the Court has never retreated from the major principles in this case, Mr. President. In fact, they are moving in the opposite direction, in the direction of more and more permissible political speech.

In fact, one of the few things in the Buckley case that the reformers liked has created one of the biggest problems in the last 20 years. The reformers liked the fact that the Court did uphold a limit on how much one could contribute to another, the contribution limit. Well, the Congress has never indexed the contribution limit. Even President Clinton said last month that the hard money contribution should be indexed to inflation. And he was absolutely right. That $1,000 set back in the mid-1970s, at a time when a Mustang cost $2,700, is now worth $320. In a medium- or small-sized State, it does not produce a huge distortion, but it is an absolute disgrace for a candidate seeking to run for office in a big State where you have a huge audience, like California or New York or Texas, to be stuck with a $320 per person contribution limit.

So ironically, Mr. President, the only part of the Buckley case that the reformers applauded has produced the biggest distortion in the process and the biggest problem for candidates running in large States.

So, Mr. President, let me just conclude this part of my remarks, as I see others here. We make no apologies for beating this terrible piece of legislation. It does not deserve to pass. It will not pass. The first amendment will be protected.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. In a moment I will yield to the Senator from Minnesota who I very much want to hear from on this issue.

Just a very brief comment with regard to the comments of the Senator from Kentucky. The language of the McCain-Feingold bill on issue advocacy was not an issue in the Wisconsin case. In fact, in that Wisconsin case the judge specifically suggested our provision on issue advocacy may be a model of what might pass constitutional muster.

The Senator made a lot of general comments on Buckley v. Valeo, but the one thing he didn't do is relate Buckley v. Valeo to our bill. Our bill was specifically crafted to be constitutional under Buckley v. Valeo. We have a letter from 126 constitutional scholars who say that our bill is in fact constitutional, especially with respect to the ban on soft money. It is 126 constitutional scholars against the mere constant repetition of the claim that our bill is unconstitutional. We have the weight of legal authorities on this issue on our side. Of course, it is our intention and belief that this would pass constitutional muster.

With that, Mr. President, I yield 10 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, it has been reported that a majority—majority; that is, Republican party—written portion of the Governmental Affairs Committee draft report reaches the following conclusion or contains the following statement: ''In 1996, the federal campaign finance system collapsed.'' I would like to associate myself with this observation by the majority members of the Governmental Affairs Committee.

Mr. President, the system did collapse. Americans witnessed a corruption, a tarnishing of our political system. And I say to my colleague from Kentucky, the Supreme Court is very clear that that in fact is a justification for reform. People saw in a very systematic way special interest money dominate the discourse. And the American people stayed home in record numbers.

It is not surprising that as this system becomes more and more dominated by big money, and regular people feel like they are locked out of involvement, and that this system dominated by money does not respond to the concerns and circumstances of their lives, they stay home.

As a matter of fact, we did not even have 50 percent of the people voting in the last Presidential election. That was the third lowest turnout in the history of our country. Some people here on the floor of the U.S. Senate may be comfortable with that reality. I am not. It is the opposite of what I live and work for. And it is the opposite, I would say to my colleagues, of real representative democracy.

Mr. President, a New York Times headline: ''1996 Campaign Left Finance Laws in Shreds.'' I agree with the judgment of this article, which I quote:

> Beneath the cloudy surface of the Senate hearings, one clear picture has emerged: The post-Watergate campaign finance laws that were passed to restrict the influence of special interests in politics have been shredded.

Mr. President, Americans know this. Some of my colleagues may not want to face up to these truths, but Americans know it. They know that every Federal Government issue that affects their lives is damaged by the way big money, special interest money has taken over our politics. It is as if there has been a hostile takeover of elections in our country, a hostile takeover of Government, whether it is health care, insurance rates, taxes, telecommunications, banking, tobacco, environment, food and agriculture, trade, oil and pharmaceutical company subsidies. What is on the table and what is not on the table, what is considered reasonable and realistic, what is not considered reasonable and realistic, what is debated, what isn't, what is distorted, what issues are even dealt with in the first place—people in the country know that this is dominated by big money. The system has collapsed. The laws that are meant to regulate it have been shredded.

What are we doing about it? We have a good bill, S. 25, the McCain-Feingold bill. It is the pending amendment. It would, A, prohibit soft money to the parties. That is maybe the biggest abuse. This might be the most single important reform that we can undertake; and, B, it restricts—restricts; not prohibits—phony ''issue'' ads which are really election ads.

My colleague from North Dakota, Senator DORGAN, read a piece yesterday on the floor of the Senate about $800,000 of so-called issue ads poured into one congressional race, one special election, by a party—$800,000 of so-called issue ads in a New York House district race last year to destroy a candidate there.

The bill would also expand disclosure requirements. It would strengthen FEC enforcement, and it would discourage wealthy candidates from spending more than $50,000 of their own money on a race.

It is a decent, worthy bill, Mr. President. I hope we can pass it. My two colleagues have worked extremely hard in order to assure that this vote could happen. And I think that the bill will receive a majority of the vote. But it is going to be filibustered. And I fear that most Members of the majority party do not want reform. They are not willing to allow an acceptable version of this bill to receive the 60 votes. Why is that?

Mr. President, the public is fed up with the current system. Congressional Quarterly summarizes this aptly. ''While polls show that the public is fed up with the current system, the public is cynical about politicians' ability to fix it.''

Mr. President, my colleague keeps talking about the first amendment. Nobody is saying you cannot spend money. Nobody is saying you cannot speak out. But what we are talking about is that we now have auctions rather than elections. We are talking about the way in which money has subverted this system, systemic corruption, when too few people have too much wealth, power and say, and too many people are left out.

Mr. President, we will also be discussing the Snowe-Jeffords proposal. I have said to my colleague from Wisconsin that I am a bit skeptical about it. I am a bit skeptical about it. I am not at all sure that I like the idea that this amendment only gets introduced if all 45 Democrats pledge allegiance to it, so that we can pick up two more Republican votes. But I know it certainly is a desirable alternative to the poison pill, the Paycheck Protection Act.

But here is what I am worried about. Maybe for tactical reasons we do it, but maybe for substantive reasons we do not. I am a little worried that we now have the following argument before us: We are desperately afraid that we cannot enact real campaign finance reform this year because the public is not angry enough and because the public is not mobilized; therefore, we should weaken the reform bill in order to excite the public. I do not think that is really going to happen. And I think we need an aroused public behind this worthy effort.

Again, I think it is desirable as a substitute for the poison pill Paycheck Protection Act, but it is also a retreat from the definitely superior express-advocacy and issue-ad provisions of the McCain-Feingold bill. Let me just remind my colleagues, that those of us who have been the reformers, we have compromised many times over already.

As a matter of fact, the provisions of the McCain-Feingold bill that would affect us most are basically out right now. We are not even talking about a piece of legislation that really affects the way we ourselves raise and spend money in Congressional races. It is an important effort. I am for it. I want it to pass. But I want to be clear, we dropped the voluntary spending limits which would have done the most to assure a more level playing field between incumbents and challengers.

In addition, we dropped the free and discounted television time. We also, as a concession, have inserted codification of the Beck language. We have gone a long ways toward trimming this down in order to try and get something passed that would at least be a positive step in the right direction, and the majority party is still stonewalling this.

Now, Mr. President, let me be clear in dealing with the provision that Senator JEFFORDS and Senator SNOWE have come up with. There is some merit to it tactically, without any doubt. I still

worry that it represents a retreat. I'm not sure we can excite people by continuing to strip this bill down to the point where it doesn't have teeth, and it doesn't do the job.

Mr. President, I ask unanimous consent to place a piece by Greg Gordon of the Star Tribune, the largest newspaper in my home State, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the (Minneapolis, MN) Star Tribune, Oct. 29, 1997]

TURNING NONPROFITS INTO POWERFUL POLITICAL TOOLS

(By Greg Gordon)

(Twin Cities entrepreneur Robert Cummins gave $100,000 to a nonprofit that backed a dozen GOP campaigns, including Gil Gutknecht's, a Senate panel has found. The trend, while legal, allows donors to circumvent federal election laws, observers say)

Senate investigators have obtained bank records showing that a Twin Cities entrepreneur donated $100,000 to a nonprofit group that ran ''issue ads'' last year backing a dozen Republican congressional candidates, including Minnesota Rep. Gil Gutknecht.

With his donation to the Citizens for the Republic Education Fund, Robert Cummins, chairman of Eden Prairie-based Fargo Electronics Inc., joined in a trend by both major parties to turn nonprofit groups into political weapons.

Campaign-finance experts say the practice, although legal, offers a way for donors to circumvent federal election laws that require public disclosure of their names and limit the amounts they can give. The loophole also enables corporations that are barred from directly donating to campaigns to play major roles in political races, said Democratic investigators for the Senate Governmental Affairs Committee.

Gutknecht, whose reelection campaign faced an onslaught of attack ads sponsored by labor unions, says that early last year he gave the names of several potential Minnesota donors to Triad Management Service, the Virginia company that ran the Citizens for the Republic Fund. The First District congressman declined last week to say whether Cummins, who with his wife had each already donated the maximum $2,000 to Gutknecht's campaign, was among them. Cummins, a politically active conservative, did not respond to phone calls seeking his comment.

Gutknecht said he has never heard of the Citizens for the Republic Education Fund, which spent at least $3,000 boosting his campaign in the Rochester, Minn., media market, and that he never knew about the ad.

The organization is one of three conservative-backed nonprofits that were dormant in the summer of 1996 but sprang to life shortly before the election as donations poured into their accounts, people familiar with the investigation said.

Together, Citizens for the Republic Education Fund, Citizens for Reform, which also was managed by Triad, and the Coalition for Our Children's Future spent nearly $4 million in October and November 1996 on ads that gave GOP candidates a late boost in at least 34 close House and Senate races, Senate investigators have found. The Coalition for Our Children's Future also send Republican-leaning postcards to tens of thousands of voters in at least nine Minnesota legislative districts.

Nonprofit groups are barred from expressly advocating the election or defeat of a candidate. But so-called ''issue ads,'' which stop just short of doing so, have provided political consultants with an effective alternative.

The three tax-exempt groups have refused to identify their donors. Democratic investigators said they used subpoenaed bank records to trace the identities of Cummins and several other contributors to Citizens for the Republic Education Fund and Citizens for Reform.

Other donations to the three groups were made through secret trusts represented by Gen. Ginsberg, a former general counsel to the Republican National Committee (RNC), according to Senate investigators and a former employee of one of the groups. Ginsberg failed to return phone calls seeking his comment.

Senate investigators suspect one of these trusts is shielding the identities of Charles and David Koch, brothers who run oil industry giant Koch Industries, which operates a large refinery in Rosemount, a Democratic committee aide said. Jay Rosser, a spokesman for Wichita, Kan.-based Koch, declined to comment on whether the Kochs or their money were involved. Democrats on the committee sent Charles Koch a letter this month asking to speak with him about their inquiry, but he failed to respond, according to investigators.

Thomas Mann, a campaign-finance expert who is director of governmental studies for the Brookings Institution, called the financing of politically active nonprofits ''an utter corruption of the system.''

''There is just no question that this is an effort to circumvent the rules limiting the sources and amounts of contributions to federal campaigns,'' he said. Mann said the effort is proof that ''the whole regulatory regime for campaign finance collapsed in 1996'' amid ''gaming'' by both parties.

The Senate committee has previously disclosed that aides to President Clinton and officials at the RNC referred large donors to nonprofit groups so they could avoid the publicity that often accompanies big donations to the parties. The New York Times reported last week that Twin Cities businessman Vance Opperman donated $100,000 to Vote Now '96, a nonprofit organization to which Clinton campaign and White House aides referred a number of large donors. The organization, which promoted voter turnout, apparently did not finance ''issue ads.''

Both conservative and liberal nonprofit groups have resisted committee inquiries, and the competing Republican and Democratic investigations have led to deep disagreements. Sen. John Glenn, D-Ohio, and other Democratic members complain that the panel's chairman, Sen. Fred Thompson, R-Tenn., has refused to sign subpoenas that would enable them to fully trace the funding of the conservative groups or to allow the Democrats to hold hearings where they could confront officials of Triad and the nonprofits. A Republican spokesman contended that the Democratic inquiry has been overly broad and burdensome for the nonprofit groups.

INVESTMENT ADVISER

At the center of the controversy is Triad, whose officers have declined to answer investigators' questions.

Mark Braden, a Washington lawyer for Triad, says the company served as ''an investment adviser'' that assisted clients in deciding ''where to make political, charitable and issue-related donations.'' Senate investigators say Triad helped clients who had already donated the legal maximum to a candidate find other ways to help.

Triad was formed in 1995 by Carolyn Malenick, a former political fund-raiser for Oliver North, the ex-Marine who was a central figure in the Iran-contra affair and then ran unsuccessful for a Virginia Senate seat.

In the spring of 1996, investigators found, Malenick met with Pennsylvania businessman Robert Cone, the former owner of children's products manufacturer Graco Inc., and Sen. Don Nickles, R–Okla. Cone soon sent the firm $600,000 in seed money and later gave substantially more, the investigators said.

In a promotional film in which Nickles endorses the group, Malenick talked about Republicans developing a way to quickly infuse $100,000 into a congressional race, countering labor unions' ability to provide ''rapid fire'' to Democratic candidates.

Braden said Malenick's firm sent consultants to do ''political audits'' with about 250 GOP campaigns nationwide to identify races where donors could support candidates who shared their ideological views and had ''a viable campaign.''

Braden said Triad launched the ''issue ad'' campaign through the nonprofits only to respond to the AFL–CIO's $20 million advertising blitz in the districts of vulnerable Republicans such as Gutknecht.

''The father of these ads is [AFL–CIO President] John Sweeney,'' Braden said. ''If there had been no AFL–CIO campaign, there would have been no Citizens for the Republican Education Fund issue campaign.''

Braden denied that any of the donations facilitated by Triad were illegally ''earmarked'' to specific candidates.

Another large donor was California farmer Dan Garawan, who has said publicly that he gave $100,000 to Citizens for Reform, which spent heavily on issues ads that attacked Rep. Calvin Dooley, D–Calif.

Among donors yet to be identified is a trust that donated a total of $1.3 million to citizens for the Republican Education Fund and to Citizens for Reform. Also still a mystery is the source of a $700,000 check to the Coalition for Our Children's Future, a group unrelated to Triad. Barry Bennett, the coalition's former executive director, says that the donation was arranged in September 1996 by a Houston political consultant and that Ginsberg drew up confidentiality documents.

The investigators have information ''that very strongly suggests the Koch family and Koch Industries were a major funding source for the Triad subsidiaries and the Coalition for Our Children's Future,'' one Democratic committee aide said. Koch made one direct donation to Triad of $2,000, investigators found. Triad booster Nickles, a member of the Governmental Affairs Committee, has been a major Senate ally of Koch.

Federal Election Commission records show that the Koch brothers and KochPAC donated to more than a dozen of the candidates supported by the three nonprofits, most of them located in Kansas, Oklahoma and other states where Koch has facilities.

BOOST FOR GUTKNECHT

Cummino sent a $100,000 check to the Citizens for the Republic Fund on Oct. 3, 1996, a week after Triad signed a consulting agreement with the nonprofit, investigators found.

Meredith O'Rourke, a former Triad employee, told the committee in a recent deposition that Triad officials has discussed key issues in Gutknecht's reelection race with Gutknecht or his campaign, people familiar with the inquiry said. Gutknecht acknowledged that he met with a Triad official early in his campaign, but said he only recalls discussing the ''issues they [Triad representatives] were advancing,'' not his own.

The Citizens for the Republic Fund ''issue ad'' that fall mentioned Gutknecht's name five times, without identifying his Democratic challenger, Mary Rieder, and accused

''big labor bosses in Washington'' of distorting Gutknecht's record on education.

Gutknecht dismissed disclosures about the nonprofit groups' political role as ''a joke'' and ''a desperate'' attempt by Democrats to distract public attention from Clinton's embarrassing campaign activities, such as inviting major donors to stay overnight in the Lincoln Bedroom.

''As far as I know,'' he said, ''any businesspeople who participated with Triad did not get a night in the Lincoln Bedroom. They didn't get any preferential treatment on Asian pipelines, they didn't want to block an Indian casino in Hudson, Wisconsin. All were American citizens. None were Buddhist monks.''

In the spring of 1996, three Washington-based nonprofit groups had no offices, no staffs and were inactive. By that fall, the groups had raised nearly $4 million in donations and were pouring much of the money into ''issue ads'' supporting conservative House and Senate candidates.

CITIZENS FOR REFORM

Founded by conservative activist Peter Flaherty, the nonprofit group was incorporated in May 1996 and is now run by Triad Management Services, a political consulting firm in Manassas, Va. Senate investigators say the group spent $1.4 million in October 1996 on ads in 21 House and Senate districts, including one that attacked Democratic congressional candidate Bill Yellowtail of Montana for striking his wife.

CITIZENS FOR THE REPUBLIC EDUCATION FUND

Incorporated in June 1996, the fund later obtained tax-exempt status as a political group. Also run by Triad, it is headed by former Reagan White House aide Lyn Nofziger. In October 1996, investigators say, the fund spent almost $1.5 million on ''issue ads'' in 13 House and Senate races, helping secure victories for Rep. Gil Gutknecht, R-Minn., and Republican Senate candidates Sam Brownback of Kansas and Tim Hutchinson of Arkansas.

COALITION FOR OUR CHILDREN'S FUTURE

Formed in late 1995 to air ads supporting the Balanced Budget Act, the coalition was only a shell in the fall of 1996, operating in offices at the Virginia political fund-raising firm of Odell, Roper and Simms. Then a secret trust reportedly contributed $700,000 to the coalition, which ran ''issue ads'' in Arkansas and Louisiana Senate races and three House races and blitzed voters in at least nine Minnesota legislative districts with postcards favoring GOP candidates.

Mr. WELLSTONE. He talks about turning nonprofits into powerful political tools. I'm worried about all of the ways, to quote Thomas Mann from the article, that this new practice has ''become an utter corruption of the system.'' I don't want to retreat from clear standards here.

Mr. President, since I have less than 2 minutes, I hope the McCain-Feingold bill will pass intact. I hope we will vote for it today. I hope that colleagues will not be able to block it. I hope we will be wary of ''deform'' measures, not reform measures. We have to pass something real. We have to pass something significant. I hope we get a positive vote for this piece of legislation today, and I ask people in the country, please be vigilant, please hold all of us accountable. Don't let the majority party block a reform that would restore your voice and some real democracy in this country. Don't let the U.S. Senate pass a piece of legislation which would have that made-for-Congress look, a great acronym, but will not have the enforcement teeth and would not do the job and really wouldn't get some of the big money out of politics.

The McCain-Feingold effort is not all I desire—I proposed the clean money, clean elections approach which has passed in Maine and that was also passed in Vermont—but it is a worthy piece of legislation and it ought to pass the U.S. Senate.

I yield the floor.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Kentucky.

Mr. MCCONNELL. I understand we are under a controlled time situation without designating a controller, so I ask unanimous consent I control the time on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. I yield to the distinguished Senator from Washington such time as he may consume.

Mr. GORTON. Mr. President, the first amendment to the Constitution of the United States reads in relative part ''Congress shall make no law abridging the freedom of speech or of the press.''

Today, once again, we are engaged in a debate in which the proponents propose to limit the freedom of speech, and most particularly, to limit freedom of speech in political debate about the policy and political future of the United States.

At the time of an identical debate last fall, George Will wrote, and I wish to quote him in full:

Nothing in American history—not the left's recent campus ''speech codes,'' nor the right's depredations during 1950s McCarthyism, or the 1920s ''red scare,'' not the Alien and Sedition Acts of the 1790s—matches the menace to the First Amendment posed by campaign ''reforms'' advancing under the protective coloration of political hygiene.

Mr. Will concludes by saying:

As Senator MITCH MCCONNELL, the Kentucky Republican, and others filibuster to block enlargement of the Federal speech-rationing machinery, theirs is arguably the most important filibuster in American history.

Mr. President, the Senator from Minnesota has just said that fewer people vote because of cynicism about the 1996 campaign and the blatant violations of the present law that took place during the course of that campaign.

Mr. President, the cure for the blatant violations of present campaign laws is not a new set of laws. It is the simple enforcement of the laws we already have. Laws, incidentally, that were passed in 1974 with arguments identical to those that are being made here today; laws that themselves seem to have been accompanied by a drop-off in the number of people who are voting.

If we simply look at our history and desire to have more people voting, we would presumably repeal all of those laws and go back to a pre-1974 situation in which at least we had a greater participation in our election process.

So what do the proponents today ask us? They ask us to limit severely the right of political parties to raise money and to use that money in order to express the ideas that motivate those political parties. In other words, they ask us to limit the ability to communicate the freedom of speech of those organized parties that have spanned most of the history of the United States, parties that most academics studying our political system say are too weak, not too strong. Most academics in this field feel that party discipline ought to be stronger rather than weaker. Yet the heart of McCain-Feingold is the philosophy that parties should not be able to communicate their ideas to people during election campaigns in any significant fashion whatever.

The predecessors of those who make these arguments today successfully limited the ability of political candidates for Congress to raise and to spend money and now criticize the very condition that they caused by saying that candidates spend too much time in raising money. It is a paradoxical set of arguments to say that the very cause that we espoused has caused candidates to spend too much time campaigning or raising money for campaigning and therefore we ought to have more laws of exactly the same type.

Mr. President, whatever the constitutionality of limiting the right of people to contribute to political parties and the right of political parties to solicit contributions, it can hardly be proposed with a straight face that we can limit the right of third parties, of independent organizations, to express their ideas on matters of politics and on candidates and on incumbents at any time, much less in the 30 or 60 days preceding an election. There is simply no indication in any decision by the Supreme Court of the United States that such limitations are appropriate. There is also no indication that such limitations are a good idea.

I wonder what the editorial page of the New York Times would say if the proposal before the Senate today said that newspapers would be limited to one or two editorials about election-year politics and none at all in the 30 days before an election. Yet, Mr. President, unless you can say in order to make elections fair, in order to give each citizen an equal right to participate, we can and should tell the New York Times, and every other daily newspaper in the country, all television networks and television stations, that they should shut up in the 30 days before an election takes place and let the election work its way out on the basis of whatever individual candidates say—unamplified, of course, by any mass media—and that even outside of that period of time they should be strictly limited in the number of statements that they ought to make about politics because, after all, they have a much larger voice than does an individual citizen.

We know exactly what they would say. They would say that is a blatant violation of the first amendment of the Constitution. They would go to court and they would get any such statute immediately thrown out. But if the New York Times and NBC and an individual television station are free to communicate their ideas about politics and about political candidates without restraint, how, then, can an organization, whether it is the Christian Coalition, the American Civil Liberties Union, a liberal or a conservative organization, be so limited? And why, if an organization of that nature can't be limited, should a political party be limited in what it can say and how it raises money in order to make any such statement?

Mr. President, all we have done is to make political speech less responsible rather than more responsible. We limited the amount of money candidates can get, and candidates, of course, can be called to account for any misstatement they make in a political campaign or for any unfair tactics. We now propose to limit the parties to which those candidates belong, so we force those who are interested in the political system whose lives are affected by the political system to operate entirely independently of parties or of candidates and to make whatever statements they wish for which those candidates and parties will, of course, bear any responsibility whatever.

Finally, I find it extraordinarily curious that the proponents of this bill—most recently the Senator from Minnesota—will say that the original proposal before the Senate by the majority leader, Senator LOTT, is a poison pill. Now, what is that poison pill? It is the totally constitutional and totally valid requirement that a labor organization to which people in given bargaining units must belong and to which they must contribute can only use the dues and the payments of their members for political purposes with permission. Now, this is the one area which is not only obviously constitutional but obviously desirable. Why should any American, why should any American have his or her money used by an organization to which he or she is required to belong to promote an idea and candidates with which whom he or she disagrees?

I do have in this connection, Mr. President, one advantage over, I believe, every other Member in this body, except for my own colleague from the State of Washington. In 1992, at a time in which Bill Clinton won the State of Washington in his Presidential campaign, the people of my State passed Initiative No. 134 by a 73–27 percent margin.

Initiative 134 simply said that neither an employer nor a labor organization could withhold a portion of a worker's wages or salary for political contributions without receiving written permission from that worker each and every year—the so-called ''poison pill,'' which is anathema to Members on the other side. Seventy-three percent of the citizens of the State of Washington voted for that proposition, Mr. President.

Now, what happened? Let's take one such organization, the Washington Education Association. Immediately after the passage of that initiative, fewer than 20 percent of the members of the Washington Education Association gave that association permission to use their money for its political purposes. Where it had 45,000 members who were constrained to contribute to its political action committee previously, the figure, after the election was over, was 8,000. Well, that is why 45 members on the other side of the aisle feel the Lott bill to be a ''poison pill,'' because it deprives one of their principal supporters of the right to force people to contribute to their campaigns. That is a ''poison pill,'' Mr. President. It is a ''poison pill'' to restrict political parties the right to speak and the right to effectively participate in politics, or even to restrict certain other organizations.

Mr. President, I understand—and perhaps the Senator from Kentucky will enlighten me on this—that the United Kingdom had similar restrictions to those proposed here with respect to issue advocacy. If my understanding is correct, the court of the European Community has just determined that those restrictions were a violation of human rights; is that correct? I ask the Senator from Kentucky that question.

Mr. MCCONNELL. The Senator from Washington is entirely correct. Just last Thursday, February 19, the European Court of Human Rights ruled that laws banning ordinary citizens from spending money to promote or denigrate candidates in an election campaign was a breach of human rights. That was in response to a group in England that brought the suit with the argument that their voices were essentially quieted, eliminated, by British law that prohibited them from speaking, in effect, in proximity to the election. So the Europeans are heading in the direction of issue advocacy, which is something, I say to my friend from Washington—and I see my friend and colleague from Utah on his feet as well—that the Supreme Court anticipated in the Buckley case.

Mr. GORTON. I was simply going to ask that question of the Senator from Kentucky. Does the Supreme Court in Buckley versus Valeo not deal with this question of issue advocacy?

Mr. MCCONNELL. Absolutely. The Senator is correct. Our friends on the other side of the aisle act as if issue advocacy is a recent invention that has been sort of conjured up and not previously thought of. The Court said in the Buckley case, in laying out the terms for express advocacy, which is the category directly in support of a candidate, which is in the category of FEC money, so-called hard money—they were defining express advocacy, and by definition pointing out that ''it would naively underestimate the ingenuity and the resourcefulness of persons and groups to believe that they would have much difficulty devising expenditures that skirted the restrictions on express advocacy of election or defeat, but nevertheless benefited the candidate's campaign.''

Just one other quote from that same Buckley case: ''The distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application.'' That was the Supreme Court 22 years ago. ''Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest.''

What is the Court saying? They are saying, in effect, that there is this whole category of discussion in this country that, under the first amendment, citizens are entitled to engage in, whether candidates like it or not. I mean, the whole assumption of the argument on the other side is that somehow the candidates have a right to control the election, control the discourse, in this selected period right before the election. Well, the Court anticipated that. They have already dealt with it. You clearly can't do it. We don't own these elections. Besides, as my friend from Washington pointed out, nobody is suggesting that the newspapers shut up during that period of time. Obviously, this would enhance their power dramatically.

Now, I will stipulate and concede that all of us candidates don't like all of this discourse that we don't control. Sometimes there are people coming in trying to help us and we think they are botching the job. Sometimes people are trying to hurt us, and that is particularly offensive. But it is absolutely clear that we cannot, by statute, shut all these people up, cleanse the process of all of this discussion, and control the campaign.

Mr. GORTON. If I may conclude, I thank the Senator from Kentucky for those comments. In reflecting back on the article from which I read excerpts by George Will, if we had detailed CONGRESSIONAL RECORDS of what was said in Congress in 1797 and 1798, at the time of the Alien and Sedition Act, I think we would see a philosophy quite similar to the philosophy that is being expressed by the proponents of McCain-Feingold: People aren't smart enough to know what ought to be said or not said or to sort out the quality of what is being said and not said, unless we here in Congress tell them who can say it, when they can say it, and how much of it they can say. This bill, under those circumstances, Mr. President, does have distinguished antecedents, the most significant of which is the Alien and Sedition Act.

I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, perhaps we have reached a new low in the debate on the McCain-Feingold bill, which has been characterized as a ''human rights violation'' and the ''Alien and Sedition Act.''

Perhaps the Senator from Maine can bring us back to the real discussion here. I yield her such time as she requires.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, the time has come to strike an important blow for our democracy by making some limited, but urgently needed, repairs to our campaign finance laws.

Mr. President, the legislation currently pending before this body is dramatically different from the original McCain-Feingold bill, which I cosponsored and supported. It does not seek to radically alter how we finance our campaigns. Indeed, I submit that it does not alter at all the basic framework that Congress established more than two decades ago.

Nevertheless, Mr. President, the bill before us today is vitally important.

Before us today is a bill designed to close election law loopholes that undermine the protections the American people were promised in the aftermath of Watergate. Unlike the prior version of the bill, it will not make new reforms to our campaign finance system. Rather, it will merely restore prior reforms.

Let me be more specific, Mr. President. Gone from S. 25 are the provisions intended to create a different system for financing campaigns. Gone are the voluntary limits on campaign spending. Gone is the free TV time. Gone is the discounted TV time. Gone is the reduction in PAC limits.

Most of these reforms continue to be very important, and they are reforms to which I remain personally committed. But in the interest of securing action on the major abuses in the current system, we, the proponents of the McCain-Feingold proposal, have agreed to significant compromises.

What, then, is left? The principal purpose of today's bill is to close two immense loopholes that have recently been exploited to evade the restrictions and the requirements of current law. I refer, of course, to soft-money contributions and bogus issue ads.

It is fair to ask whether these are, in fact, loopholes or whether they are practices that were contemplated when our election laws were enacted in the 1970s. To be more specific, when Congress put a $1,000 limit on campaign contributions, was it intended that individuals could make unlimited contributions to political parties that, often following a circuitous route, would wind up financing ads clearly designed to help or to harm particular candidates? Clearly, Mr. President, the answer is no. Similarly, when Congress established political action committees as a legitimate and needed mechanism for unions, corporations, and other groups to contribute to campaigns, did it intend that these entities could nevertheless also make unlimited expenditures for political attack ads as long as certain words were avoided and some reference, however flimsy, was made to an issue? Again, the answer to this question is obviously no, and history bears out this conclusion.

Go back to the early 1980s when soft money was used only for party overhead and organization expenses, and you will find that contributions totaled only a few million dollars. By contrast, in the last election cycle, when soft money took on its current role, these contributions exceeded $250 million.

Bogus issue ads were such a small element in the past, that it is impossible to find reliable estimates on the amounts expended on them. Unfortunately, that is no longer the case, and these expenditures have now become worthy of study. The most prominent of these studies estimates that as much as $150 million was spent on bogus issue ads in 1995 and 1996.

Mr. President, simple logic also shows that soft money, as it is currently used, and bogus issue ads could not have been intended by those who drafted our election laws. There would have been little purpose in limiting contributions to candidates if unlimited money could be given to parties to run ads effectively promoting those candidates. There would have been little purpose in placing monetary limits on contributions to and by PACs, as well as subjecting them to reporting requirements, if the entities for which they were designed could avoid all of that by simply running issue ads.

Mr. President, some may still ask whether any of this matters. Why should we be concerned if the campaign contribution limits have been rendered a sham by unlimited soft-money donations? Why should we care if the PAC safeguards have been eviscerated by bogus issue ads?

Starting with soft money, one need only consider the situation of the Hudson Band of Chippewa Indians, an impoverished tribe in the State of Wisconsin. Mr. President, this tribe has every reason to believe and every reason to suspect that the denial of their casino application was driven by the expectation of large soft-money donations by the wealthy tribes who opposed them.

Allowing such unlimited contributions subverts the proper operation of government or at least creates the appearance that it has been subverted. It is a sign of how extensive the corrupting effect has become that even Native Americans believe they must play the soft money to participate in our democracy.

The situation with bogus issue ads is not better. That practice undermines the two major objectives of our election laws, namely, placing limits on contributions and disclosing the identity of those making the contributions. Without such disclosure, we lose accountability. A recent study found that as accountability in political communications declines, levels of misinformation and deceit rise. Thus, it is no surprise that bogus issue ads almost always carry a negative message, something which all in this body purport to decry. The question is—are we willing to do something about it?

In my view, it is imperative that we do something real about these problems. Mr. President, I spent much of my first year as a Member of this body listening to endless hours of testimony before the Governmental Affairs Committee about the campaign finance practices in the 1996 elections. While reasonable people can disagree on the solutions, those hearings demonstrated beyond any doubt that the current system is in shambles precisely as a result of the loopholes I have described.

Mr. President, let me briefly comment on the argument that S. 25 would violate the first amendment. I personally do not believe that to be the case, but more important, there are scores of constitutional scholars who support that conclusion. But the reality is that we can play the game of dueling law professors forever, and it will not resolve the issue.

We are dealing with an area of great uncertainty. Indeed, in the seminal case of *Buckley* v. *Valeo*, a majority of the Supreme Court Justices could not agree on a single opinion. On the subject of what constitutes issue advocacy, Federal Courts of Appeals have handed down conflicting decisions. Thus, no member of this body can say with certainty how the Supreme Court will decide the issue. Our role is to craft election laws that strengthen our democracy, knowing that the Supreme Court and the Supreme Court alone will ultimately determine the constitutionality of our actions.

It is also essential to eliminate two myths about this bill. It will not stop any American, whether acting as an individual or as part of a group, from running ads advocating for or against a position on any issue. It will also not stop any American, whether acting as an individual or as part of a group, from advocating for or against the election of a candidate, as long as the contribution limits and reporting requirements of our election laws are satisfied. Statements to the contrary are false, and their constant repetition does not make them true.

Let me close, Mr. President, by returning to my original point. When I ran for a seat in this body, I advocated a major overhaul in our campaign finance laws. Regrettably, that goal must await another day. The challenge before us today is far more modest. Are we prepared to close loopholes that subvert the intent of the election laws that we enacted more than two decades ago? Are we willing to restore to the

American people the campaign finance system that rightfully belongs to them?

I sincerely hope, Mr. President, that at the end of this debate, the answer will be yes and that the Senate will take an initial step on the road to restoring public trust in government.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, I yield 10 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I thank the Senator from Kentucky and I thank my colleagues for this debate. Let me make a personal point at the beginning of my comments. While I disagree quite heartily with the position taken on behalf of those who support McCain-Feingold, I do not challenge their integrity or their motives. I believe that they are acting on the basis of the highest motives, that they honestly believe that this legislation would, in fact, be good for our political system and be good for the Republic as a whole. I disagree most heartily with that position and I do my best to try to convince them that the course they are on, however well meaning and well motivated, is, in fact, dangerous and threatening of our first amendment rights.

I learned today on the floor that in Europe it has been determined that if we went down this road we would be violating basic human rights, according to the European court. I am delighted to know that the Europeans have that much common sense. Clearly, the United States Supreme Court has made that clear and we in this body should not shirk our constitutional responsibility.

I was somewhat distressed to hear the comment that the Supreme Court and only the Supreme Court can determine what the Constitution has to say about this. I think we have a responsibility to pay attention to the Constitution in this body itself and not burden the Supreme Court with laws that are clearly unconstitutional. There is always the chance one of them might slip through. A court might not be appropriately attentive when a case comes before them, and we get unconstitutional legislation. We are the first line of defense as far as the first amendment in the Constitution is concerned, and we should take that responsibility very seriously and not say, ''Oh, well, let's pass a law because it sounds good, let's pass a law because the New York Times will give us a good editorial, and the Supreme Court will bail us out by declaring it unconstitutional.'' That is a very dangerous position to take and I want to do my best to see to it that the first line of defense of the first amendment is drawn here in this body and maintained here so that the Supreme Court can pay attention to other issues.

I want to address the two points that my friend from Maine talked about, soft money contributions and bogus issue ads. Let me reverse the order and talk about the first one, the bogus issue ads. She suggests, and I'm sure sincerely and honestly she believes, that bogus issue ads have come as a result of an attempt to get around the Watergate reforms. In fact, bogus issue ads have been with us since the beginning of the Republic and they are a free exercise of first amendment rights by Americans pre-Watergate, post-Watergate, and frankly post McCain-Feingold. Americans will find a way around that even if the Supreme Court were to allow McCain-Feingold to stand, should we pass it.

One of the most vivid memories I have in politics is, as a 17-year-old high school student, watching my father, who was running for his first term in this body, standing in the living room of my grandmother, his mother, holding a newspaper and saying, ''I can handle my enemies but, Lord, protect me from my friends''—a newspaper attacking the incumbent Senator from Utah, Elbert Thomas, as a Communist. And my father, trying to run his own campaign on other issues, was terribly distressed by this four-page attack on his opponent. There are those who wrote about that election after it was over who blamed my father for that rag. One of the professors from whom I took classes at the University of Utah, in the political science department, wrote an extensive article in the Western Political Quarterly in which he called the 1950 Senate race the dirtiest in Utah history, and blamed my father for calling his opponent a Communist and smearing him. My father had absolutely nothing to do with that particular publication and had no control over it. Mr. President, 1950 was clearly pre-Watergate. It was clearly pre- the reforms that the Senator from Maine hopes to reestablish here.

However distasteful it was, however reprehensible it may have been, it was well within the rights of the first amendment guaranteed to the people who put up the money, published the paper, and distributed it. As the Senator from Kentucky indicated, we don't like independent expenditure ads. We want to control them. They make us mad—many times from our friends, many times from our opponents. But they are part of the price we pay for a free press and free speech in this country and I, for one, am not willing, in the name of shutting down that kind of an ad, to damage the first amendment right that everyone has, including the first amendment right to be stupid, the first amendment right to be outrageous, the first amendment right to say inflammatory kinds of things. I think that right is precious and the line to protect it must be drawn here in the Senate and not let us wait until we get to the Supreme Court.

Now, the second issue, the issue of soft money contributions. Like the Senator from Maine, I sat on the Governmental Affairs Committee. I heard the testimony. Maybe I heard some different testimony than that which she heard, but one of the things that struck me most clearly was testimony from someone not of my party, not of my political persuasion, someone on the liberal end of the spectrum, who made this point historically. When Lyndon Johnson was President of the United States and prosecuting the war in Vietnam in a way that outraged huge numbers of our citizens to the point of protests in the streets, he was challenged in the electoral process within his own party by one brave Member of this body, Eugene McCarthy. McCarthy went to New Hampshire and took on an incumbent President within his own party, an unheard of kind of thing. He didn't win that primary but he came close. He came a close enough second that he shook LBJ to the point that LBJ subsequently left the race. How was the McCarthy campaign financed? It was financed with five wealthy individuals, each one of whom put up $100,000 apiece. And in 1968, $100,000 went a lot farther than it does in 1998.

In a way, he brought the Government down, not because he had $500,000 to spend but because he had a message that the people of New Hampshire responded to. Without the $500,000, however, the message could not have been heard. He and the others who were involved with him, who testified before our committee, said, ''If we had been limited to $1,000 apiece, McCarthy would never have been able to challenge Lyndon Johnson. If we had been limited to that kind of restriction, history would have been changed.'' And he quoted, I believe it was Senator McCarthy, who said, ''The Founding Fathers did not say: To this we pledge our lives, our fortunes up to $1,000, and our sacred honor.'' They went the whole way and the Constitution gives them the opportunity to go the whole way.

We have put limitations on. I happen to think that is a mistake, and I have talked about that. But we have allowed political parties to flourish by unlimited contributions to those parties. That is the terrible, awful, debilitating, corrosive soft money that we are talking about: The ability to challenge an incumbent President, the ability to expand political discourse at a time of great national concern over the direction in which an administration is going.

I ask unanimous consent I be allowed to continue for another 2 minutes.

Mr. MCCONNELL. Mr. President, I yield 2 more minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized. The Senate will suspend until we get order in the Senate.

The Senator is recognized.

Mr. BENNETT. I thank the Chair.

Mr. President, I am not a lawyer. Sometimes that is an advantage, sometimes it is a disadvantage. But I happen to have devoted a good portion of my life to trying to understand the Constitution and understand the intentions of the Founding Fathers.

I don't know what was fully intended by the passing of the Watergate reforms, because, frankly, that was a period of time when I was leaving Washington instead of paying attention to what was going on here. But I do know what was intended in the passing of the first amendment. I do know what was intended in the creation of the Constitution.

I believe that McCain-Feingold falls on two overwhelmingly significant points: No. 1, and most important, it is clearly unconstitutional; and No. 2, equally crippling, it is totally unworkable. On those two bases, I am happy and proud to be part of the group that is opposing it here today.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes and 20 seconds.

Mr. MCCONNELL. Mr. President, if I may, I want to follow up on some observations by my friend from Utah. The underlying bill seeks to abolish what is pejoratively referred to as ''soft money.'' In fact, as the Senator from Utah and I know, soft money should not be a pejorative term. It is, in fact, everything that isn't hard money. Our two great political parties, of course, are interested in who gets to be Governor in Utah; occasionally, they are interested in who gets to be mayor of Salt Lake City. They are, in fact, Federal parties.

So, in the aftermath of McCain-Feingold, you would have a complete federalization of the American political process, I guess putting the FEC in charge of the city council races in Salt Lake City.

Mr. BENNETT. Mr. President, if I might interrupt.

Mr. MCCONNELL. I yield for a question.

Mr. BENNETT. Salt Lake City has nonpartisan races. There are no limits on contributions and there are no limits on spending, and somehow we have managed to maintain the pattern of decent mayors through that whole situation.

Mr. MCCONNELL. A good point, I say to my friend from Utah.

It has been suggested by some around here that party soft money could simply be abolished, and that is what this underlying bill seeks to do. I doubt that, Mr. President.

A law professor at Capital University in Columbus, OH, who is an expert in this field, in a recent article in a Notre Dame Law School Journal of Legislation was pointing out with regard to the prospects of eliminating non-Federal money for the parties by Federal legislative action and said, in referring to the Colorado case in 1996:

> The precedent makes clear that political parties have the rights to engage in issue advocacy—

Which is funded by the so-called ''soft money''—

> as other entities. In Colorado Republican Party v. FEC, the Republican Party ran a series of advertisements critical of the Democratic nominee for a U.S. Senate seat from Colorado. At the time the ads ran, the Republican nominee had not been determined, and the three candidates were actively seeking that nomination.

That was the fact situation in that case.

> The Court rejected the FEC's position that a political party could not make expenditures independently of a candidate's campaign.

Independent expenditures are hard money; issue advocacy is soft money. So let's get them divided.

> The Court held that the facts quite clearly showed that the defendant Republican Party expenditures in the race were independent of any candidate's campaign and so could not be limited as contributions to the candidate's campaign directly. If a political party can conduct express advocacy—that is independent and hard money—if a political party can conduct express advocacy campaigns independently of its candidates, surely it can conduct an issue ad campaign independently of its candidates. The Colorado Republican Federal Campaign Committee held that political parties' rights under the first amendment are equal to—equal to—those of other groups and entities: ''The independent expression of a political party's views is 'core' First Amendment activity no less than is the independent expression of individuals, candidates or other political committees.'' In reaching this conclusion, the Court was not breaking new ground, but again merely following established law granting parties the right to speak on political issues.

I cite that, Mr. President, just to make a point in discussion with my friend from Utah that there is virtually no chance the courts would say that the Congress, by legislation, can prevent the parties from engaging in issue advocacy. We already know they can engage in independent expenditures which are financed by so-called ''hard money,'' Federal money. Everybody else in America can engage in issue advocacy. The Senator from Utah can do it by himself. He can do it as part of a group. There is no change. The courts are going to say parties can engage in issue advocacy.

I commend my friend from Utah for his statement. He is absolutely correct, there is no chance that this bill, were it to be passed, which it will not be passed, but if it were to be passed, would be held constitutional. In fact, the courts are going in the opposite direction, in the direction of more and more political speech, more and more discourse, more and more discussion.

We do not have a problem in this country because we have too little political discussion. That is not a problem. Even though, as the Senator from Utah wisely pointed out, we frequently do not like the content, the tone of the campaign, it is not ours to control. Nobody said we had ownership rights over the campaign. Lots of people are entitled to have their say.

I thank my friend from Utah for his fine statement. I yield the floor.

Mr. FEINGOLD. Mr. President, I yield 5 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. I thank the Chair, and I thank my colleague from Wisconsin.

Mr. President, I have spent so much time on this subject in the last year that I think I can just clear my throat in 5 minutes. But I will try to do more than that, and I hope to have additional opportunities to comment as the debate goes on.

I want to speak against the underlying proposal, the so-called Paycheck Protection Act, and in favor of the substitute McCain-Feingold proposal that is before us. The Paycheck Protection Act, very briefly, is a very disappointing response to the many problems the Senate Governmental Affairs Committee uncovered in its recently concluded investigation. In fact, I was very surprised to see my dear friend, the majority leader, say yesterday, ''I have laid down a bill that embodies the most important campaign finance reform of all, paycheck protection.''

Frankly, there is not a single problem, with all respect, looked at during our investigation in the Governmental Affairs Committee that would have been solved with the Paycheck Protection Act. ''Paycheck Protection'' doesn't touch foreign money, it doesn't touch the use of public buildings for fundraising, it doesn't touch the problem of unregulated and undisclosed attack ads, and it doesn't touch the abuse of tax-exempt status by tax-exempt organizations.

In fact, the underlying bill, the Paycheck Protection Act, is a response to a problem that doesn't exist. No one is forced to join a union, and under the Beck decision, nonunion members already have an absolute right to ask for a refund of the amount they paid the union in agency fees that went to political activities of which they do not approve. Union members, for their part, voluntarily join an organization, and they express a desire to have their leadership represent them, both with management and more generally. If they disagree with the way in which the leadership of the union is spending that money for political or legislative purposes, they have the same right that shareholders have who are disgruntled with the activities of the leadership of a corporation. Shareholders can launch a proxy fight. Disgruntled union members can try to change the leadership of the union. There is a democratic process dramatically, intensely supervised by the Federal Government itself.

In fact, I suggest that the Paycheck Protection Act as before us is not only

a solution to a problem that doesn't exist, it is itself a problem because it is of doubtful constitutionality. This bill says to a union that before it can involve itself in political activities, before it can spend its own general treasury funds, contributed by dues-paying members, not just on political campaigns but, by definition in the underlying bill, in attempting to influence legislation, the union leadership needs the separate prior written voluntary authorization of each one of their members.

To me, that comes close to being a prior restraint on the exercise by a labor union of the rights it receives under the First Amendment to petition our Government to attempt to influence legislation and to free association. If that is not the case, it certainly raises questions of equal protection, because there is no similar restriction put on any other organization that I know of, including particularly corporations. True, there is language in the paycheck protection bill that deals with corporations, but by not even trying to cover shareholders, it is plainly not at all equivalent to the restriction on the expenditure of union dues.

On the other side, McCain-Feingold, with appreciation to its two cosponsors—a great example of the kind of bipartisanship that should exist around here—is a practical response to the problems that came before the Governmental Affairs Committee. The arguments against it, with all respect, are premised on this strange twist of principle that money is speech.

I think it was my friend, the junior Senator from Georgia, who said last year, if money is speech under the Constitution, that must mean that the more money you have, the greater is your right to free speech. Is that what the Framers of the Constitution meant when they said that all of us are created equal, we have an equal right, unfettered, to petition our Government? I don't think so. Against that specious principle, money is speech, they have undercut the sacred principle of equality of access to our Government.

So I say the soft money ban and the other limits in the McCain-Feingold proposal are constitutional. In the Buckley decision, the Court made it clear that it is constitutional to limit contributions to campaigns, and this ban on soft money is just another way to do that.

The fact is, as Chairman THOMPSON of the Governmental Affairs Committee said during our proceedings, effectively, there is no campaign finance law anymore in the United States of America, and the reason why the limits on individual contributions, the prohibitions on corporate and union money that are in the law are no longer effective is mostly because of soft money.

The PRESIDING OFFICER. The time requested by the Senator has expired.

Mr. LIEBERMAN. I thank the Chair for the very gracious way in which he conveyed that message, which is very typical of the occupant of the Chair. I yield the floor.

Mr. FEINGOLD. Mr. President, I thank the Senator from Connecticut very much for his remarks. I note the emergence of a new argument that is in effect that the Supreme Court of the United States is incompetent, that they will not be able to recognize the constitutional problems in any bill and, therefore, we have to make sure that every piece of our bill raises absolutely no constitutional questions. I think that is a somewhat absurd proposition.

With that, Mr. President, I yield 5 minutes to the distinguished senior Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I, too, join in commending Senator FEINGOLD, Senator MCCAIN, Senator LIEBERMAN and the others for their persistence and perseverance in advancing sensible and responsible campaign finance reform to the U.S. Congress, and, hopefully, we will address it in a serious way as they have addressed this issue and do so in the next few days.

I will speak for a few moments about the underlying bill that is being proposed, and I suggest that this bill really is a sham in terms of proposing to protect the interests of American workers.

The average American worker earns $12.51 an hour, just over $26,000 a year. These workers want a good retirement, a decent education for their children, safe neighborhoods and quality health care. But how can they compete on these issues in the political process when the fat cats spend far more in one political fundraiser or in one 30-second political ad than the average worker earns in a year?

We must return election campaigns to the people, in which all voters are equal, no matter what their income, what job they hold or where they live.

The current system is a scandal, and Democrats are ready to reform it right now. Every Democratic Senator—every single one—supports the McCain-Feingold campaign finance bill. The burden now rests squarely with the Republican Party. It is up to Republicans to decide whether Congress will reform the broken campaign finance laws or continue the unseemly influence of special interests in American politics.

So far, all the Republican leadership in Congress proposes is more money in politics, not less. They want more money from their special interest friends. They want to silence working families and the labor unions for speaking up on issues they care about. That is what the Republican leadership calls campaign finance reform.

The Republican proposal purports to help working families by regulating how labor unions pay for their participation in the political process. But for working families, this proposal is grossly unfair. It is the centerpiece of an agenda by big corporations and the right wing of the Republican Party to silence working families, not help them.

The Republican leadership proposal is not reform but revenge—revenge for the role of the labor movement in the 1996 campaign. It imposes a gag rule on American workers, and it should be defeated.

The bill is a sham. It does not protect the workers. It is designed to advance an antiworker, antilabor, antiunion agenda. It does not protect individual rights, as its sponsor claims. It singles out unions, but does nothing for corporate shareholders or members of other organizations.

In fact, in the 1996 election, corporations outspent labor unions 11 to 1. Under the Republican proposal, big tobacco can still use corporate treasury funds to oppose using cigarette tax revenues to promote children's health, even if shareholders object. And the National Rifle Association can oppose a ban on cop-killer bullets even if NRA members object. But before labor unions can use union funds to speak up for working families, they would have to obtain written approval from every union member first.

But it does not stop there. The antiworker Republican proposal before us today is only part of a larger, big business, right wing campaign conspiracy to deny working families a voice in their own Government. Already, proposals virtually identical to this one have been introduced in 19 States as ballot initiatives or as State legislation. The same people who fought the minimum wage and want to abolish labor unions—the same people who lead the charge in the Republican party for tax breaks for the rich—are also part of this coordinated nationwide campaign to block workers and their unions at every turn in Washington and State capitals everywhere.

A recent editorial in a Nevada paper says it clearly as anyone. Nevada is one of the States where the right wing is pushing these initiatives. And the Reno Gazette journal spoke out against the proposal, saying:

> Beware of GOP Foxes in Labor's House. . . . Its main purpose is not to help workers but to weaken Democrats. . . . This petition is not intended to benefit the common man nearly as much as it is intended to benefit one specific class of politicians. . . . So when someone asks you to sign this Republican petition outside your favorite supermarket or elsewhere, think about what is really going on here. The scent of special interest fills the air like a convention of skunks in the hollow.

This language applies equally to the Paycheck Protection Act that my Republican friends are advocating in the U.S. Senate. The Republican proposal is phony reform, and it should be opposed. Far from protecting the American worker, it is a prescription for disaster for millions of Americans and their families. I oppose it. My colleagues on this side of the aisle oppose it. I urge every Senator to oppose it.

Senator MCCAIN and Senator FEINGOLD have proposed sensible reforms to ban soft money and to crack down on campaign adds by outside interest groups that are nothing more than thinly veiled appeals to defeat particular candidates. These are responsible reforms. And I urge my colleagues to support them.

I thank the Senator for yielding me time.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the Senator from Massachusetts for his statement, and I strongly agree with his description of what this Paycheck Protection Act is all about. It is a poison pill directed at only one group in this country, which I think is clearly unfair.

Mr. President, I now yield 5 minutes to the distinguished Senator from Illinois, Mr. DURBIN.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the Senator for yielding to me.

Mr. President, when I try to understand the logic of those who oppose this bipartisan campaign finance reform and try to understand their thinking, which concludes that both the rich and the poor in America should have the right to purchase millions of dollars in television time, my mind is drawn to a movie, the movie ''Titanic.''

What is the link between the opposition to McCain-Feingold and the fate of the *Titanic*? On the *Titanic*, only 5 percent of the first-class women passengers drowned; more than 50 percent of all the women in the lowest class cabin drowned.

Now, in the eyes of those who oppose McCain-Feingold, everyone on the *Titanic* had the right to a lifeboat. Unfortunately, they would have to conclude, I guess, that those passengers in first-class cabins were just better swimmers. In fact, on the *Titanic*, they locked the doors of the cabin class until all the lifeboats had been opened for first-class passengers.

It reminds me too of their logic that the rich need to have their opportunity to exercise free speech. It reminds me of the old case in law school or the old story in law school that said the law, in its infinite wisdom, makes it a crime for the wealthy as well as the homeless to sleep under bridges. That gives us an insight, I think, into the thought processes that guide those who oppose this bipartisan campaign finance reform.

We have to understand what the result of the current campaign financing system is. It is a system without rules and without any moral grounding. It is a system heavily weighted in favor of the insiders, the grifters and those middle-age crazy millionaires who just cannot get the melody of ''Hail to the Chief'' out of their minds. The flaw in their thinking in supporting the current campaign system is their conclusion that campaign spending limitations restrain speech.

I know the Supreme Court reached that decision over 20 years ago. And I guess there is some value that the Supreme Court Justices by and large have never been political candidates. They have not been sullied by this nasty process. But that decision and their conclusion lacked any grounding in the real world of campaigns.

The campaign system we have today, where wealth buys speech, creates in fact, if not in law, a restraint on speech more insidious than any frontal assault on the first amendment. We give the candidates of modest means a throat lozenge and a soap box and give the wealthiest candidates the magic lantern of television and all its proven power of persuasion. The opponents to McCain-Feingold are blind to this obvious disparity and its consequences.

Now in this debate over changing our campaign system, if you stay tuned today, and perhaps later in the week, do not be surprised that the ''haves'' in politics are unwilling to concede any ground to the ''have-nots.''

If Machiavelli did not write this axiom, he should have: ''No party in power will ever willingly surrender the means by which they came to power.''

The Republican party is and always has been more adept at fundraising. They seldom lose for lack of money, only for lack of talent or ideas. And now we have a situation where eight Republicans have stood up and said that they are for campaign finance reform. They deserve our praise. It took courage for them to do it.

JOHN MCCAIN, who has joined Senator RUSS FEINGOLD, deserves that recognition, as well as Senators CHAFEE, SUSAN COLLINS, TIM HUTCHINSON, JIM JEFFORDS, OLYMPIA SNOWE, ARLEN SPECTER and FRED THOMPSON. But I hope we can rally some more Republican support to join the 45 Democrats who are on the record for real reform.

Step back for a minute and ask yourself this question: Is the current campaign system serving America? Not whether it is good for Democrat or Republican incumbents or challengers. Is it serving America?

Let me show you two charts to take a look at. This is an interesting chart because it shows on this red line the percentage of eligible voters who are actually registered.

Back in 1964, 64 percent of eligible voters actually registered. By 1996, the number was up to 74.4 percent. That is good news, isn't it? More Americans are signing up to vote. We certainly want to encourage that. But look down here at the bottom line. Look at the turnout of voters for Presidential elections. The high number—61.92 percent over here in 1964—look how high it was in comparison to those eligible to vote who actually registered, and then look what happens in 1996, 49.08 percent actually turned out to vote for President.

So, 74.4 percent eligible, 49 percent turned out, the lowest percentage turnout of eligible voters since 1924. In 1924, the first year when women were allowed to vote, it was a year when it was an extraordinary count. There were more eligible women than actually voted. You have to go back to 1830 to find this low a turnout.

Mr. FEINGOLD. I yield to the Senator from Illinois such time as he requires.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DURBIN. Thank you.

This chart really brings home the issue what we are faced with. In 1960, the total amount of money spent in the United States of America on all Federal, State and local campaigns—$175 million. Watch it grow. Watch it grow dynamically until we get to $4 billion, the estimate of the amount spent in 1996 on all political campaigns.

But look what is happening to the voters. When we are spending $175 million, 63 percent of the voters turned out. As we get up to $4 billion in spending, we are down to 49% of the voters showing up for the Presidential election year.

If you were running a company and you said to your marketing division, ''I want you to double the advertising budget and sell more of our product,'' and they come back in the next quarter and said, ''We doubled the advertising budget and we're selling fewer products,'' you would have to reach one of two conclusions: something was wrong with your advertising organization or something is wrong with your product. In politics there is something wrong with both.

People are sick of our advertising. It is too negative. It is too nasty. These drive-by shooting ads that we have, 30-second ads by issue groups you never heard of, at the last minute of a campaign, and candidates, myself included, spending a lot of time groveling and begging for money, that does not help the process. It does not help our image. It does not encourage people to get involved.

What McCain-Feingold is about is not just changing the law but changing the attitude of the public toward the political campaigns. And unless and until that happens, we face a very serious problem in this country. What McCain-Feingold goes after in eliminating soft money is something that has to happen. Soft money is what is left after all of the restrictions on hard money have been applied.

For those who are not well versed in the language of politics and campaigns, ''soft money'' can be corporate money, it can be money that is given by a person that exceeds any kind of limitation. It can be money that is used indirectly to help a campaign. And that sort of expenditure has just mushroomed.

I am glad that the legislation of Senator FEINGOLD and Senator MCCAIN is going to ban soft money. I also think it is critically important they do something about these issues ads. For goodness sakes, as a candidate for the U.S.

Senate, I have to disclose every penny raised and every penny spent. And when I put an ad on the air, I have to put an allocation at the bottom of each ad as to who paid for it and a little mug shot of myself so they can see my face.

But these groups that appear out of nowhere come in, in the closing days of a campaign, and absolutely blister candidates in the name of issue advocacy groups that do not disclose one single item of fact about how they raise their money and how they spent it. Don't believe for a minute that there is some group called the ''Campaign for Term Limits'' that is running around shopping centers with kettles and bells collecting money. This is a special interest group, spending literally millions of dollars in our political process to defeat candidates in the name of an issue, and you do not know a thing about them. You do not know if they are funded by the tobacco companies, you do not know if they are funded by foreign money, you do not have a clue. That is not fair.

What we have in the McCain-Feingold bill is an effort to finally—finally—bring some reality to this process and some sensibility to it. And it is long overdue. We have to make sure that we have a bustling, free marketplace of ideas. But the evidence is compelling that political megamergers of special interest groups like the NRA, Right to Life, Americans for Tax Reform, Chamber of Commerce, and even the AFL–CIO, which has clearly supported more Democrats than Republicans, all of these things are driving individuals with limited means and middle-range incomes out of the political process.

To argue passionately as we have in America for ''one man, one vote'' as a pillar of democracy and ignore the gross disparity of resources available to pursue that vote is elitist myopia.

I rise in support of this bill. And I hope that those who do support real campaign finance reform will not fall for proposals and poison pill amendments which will basically scuttle this effort. We have a rare opportunity to win back the American people and their confidence in our process. Defeating McCain-Feingold by procedural tricks and any other mechanism that they dream up is really not serving the future of this country and the future of our Republic. So I stand in strong support of McCain-Feingold, and thank my colleague from Wisconsin for yielding this time.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the Senator from Illinois for all his tremendous help on this issue, and now yield to the Senator from North Dakota such time as he requires.

The PRESIDING OFFICER. The Senator has 9 minutes 40 seconds.

Mr. DORGAN. Mr. President, the Senator from Illinois said much of what I would like to say. I appreciate very much the leadership of the Senator from Wisconsin, Senator FEINGOLD, and the Senator from Arizona, Senator MCCAIN, on this issue.

We had a lot of hearings last year about campaign finance reform: 31 days of hearings, 240 depositions, about 50 public witnesses, $3.5 million, 87 staff people. We learned about all kinds of abuses with soft money and attack ads thinly disguised as issue advertising.

Well, here we have on the floor of the Senate today a piece of legislation that says, ''Let us reform the system we have for financing campaigns.''

One of the important pieces of this reform, the centerpole for the tent, in my judgment, is the ban on soft money. Now, what is soft money? People who are not involved in political campaigns may not know what this term soft money means. It is the political equivalent of a Swiss bank account. Soft money is like a Swiss bank account. It is where somebody takes money that is often secret, from an undisclosed source, with nobody knowing where it comes from, how much is there, how it got there, and it is used over here in some other device, ostensibly to help the political system and not to be involved in Federal elections. But what we now know from the range of campaigns that have gone on in recent years is soft money is a legalized form of cheating that has been used to affect Federal campaigns all across this country.

The total amount of soft money raised is on the rise. In the first 6 months of the 1993–1994 political cycle, $13 million; the first 6 months of the 1997–1998 cycle, $35 million. It is going up, up, way up.

Some say there is not a problem of campaign finance and we don't need a reform. Take a look at this political inflation index. At a time when wages have risen 13 percent in 4 years, education spending rose 17 percent, the spending on politics in this country rose 73 percent. There is too much money in politics.

Some say money is speech and we like free speech. That is the political golden rule. I guess those who have the gold make the rules.

I suppose if I was part of a group that had a lot more money than anybody else I suppose there would be an instinct deep inside to try to persuade you to say this situation is great. We not only have more money but we have access to more money than anyone else in the history of civilization. Why would we want to change the rules? We ought to change the rules because this system is broken and everybody in this country knows it and understands it.

Let me go through some examples to describe what is happening in this system. And both political parties have had problems in these areas, both parties. Let me give one example. In 1996, $4.6 million of soft money went from the Republican National Committee to an organization called Americans for Tax Reform, $4.6 million. This soft money, then, comes from contributors whose identities are often unknown—they often do not need to be disclosed—contributing money in amounts that would be prohibited under our federal election laws, to influence a Federal election. $4.6 million from a major political party to this organization, Americans for Tax Reform. That was four times the total budget of this organization in the previous year.

How was the money spent, this soft money raised in large undisclosed chunks from sources in many cases prohibited from trying to spend money to influence Federal elections? How was it used? To influence Federal elections, 150 of them, to be precise—17 million pieces of mail to 150 congressional districts.

You say the system isn't broken? Mr. President, $4.6 million? This is the equivalent of a political Swiss bank account. Large chunks of money, blowing into the system to a group that never has to disclose what it does with it.

And what about the issue ads which Senator DURBIN mentioned as well? These issue ads—are they ads that contribute to this political process? Eighty-one percent of them are negative. They represent the slash, burn and tear faction of the political system. Get money, get it in large chunks from secret sources and put some issue ads on someplace and try to tear somebody down.

Let's discuss one group, and one ad in particular. Look at this scenario.

The Citizens for Republic Education Fund is a tax-exempt organization incorporated June 20, 1996, that raised more than $2 million between June and the end of the year in this election year—$1.8 million of which was raised between October 1 and November 15. They spent $1.7 million after October 11 and before the election in a matter of a couple of weeks. Remember, these funds are not intended to influence Federal elections, but here's all this money being spent in just three weeks before the election.

You be the judge. Consider the following, and then you tell me whether these were intended to influence a Federal election. The vast majority of the money was spent after October 11 in an election year. The group didn't come into existence until June of the election year. The group never had any committees or programs, had no offices, no staff, no chairs, no desks and no telephones. All it had was millions of dollars to pump into attack ads.

The ads did not advocate on behalf of any one set of issues. Instead, the ads were almost universally tailored to a particular unfavored candidate's perceived flaws, just like any campaign attack ad would be. In fact, you could ask whether they advocate any issues at all.

Let me turn to a so-called issue ad.

Senate [Candidate X] budget as Attorney General increased 71 percent. [Candidate X] has taken taxpayer funded junkets to the

Virgin Islands, Alaska and Arizona, and spent about $100,000 on new furniture. Unfortunately, as the State's top law enforcement official, he's never opposed the parole of a convicted criminal, even rapists and murders. And almost 4,000 prisoners have been sent back to prison for crimes committed while they were out on parole. [Candidate X]: Government waste, political junkets, soft on crime. Call [Candidate X] and tell him to give the money back.

A political ad, paid for with soft money from a political Swiss bank account. It's like a Swiss bank account because it is from a secret source, designed to be used to create attack ads, to be used at election time to influence Federal elections, something that, frankly, is supposed to be prohibited by law. But this has now become the legalized form of cheating. In fact, we are not even sure it is legal, but it is being done all across this country and it is being done with big chunks of secret money.

In fact, one secret donor put up, I'm told, $700,000 to spend on so-called issue ads to influence federal campaigns. We don't even know for certain the identity of that person. And that soft money, that big chunk of money prohibited from ever affecting Federal races was used in this kind of advertising to directly try and influence Federal campaigns.

Now, I just ask the question, is there anyone here who will stand in the Senate with a straight face and say that this isn't cheating? Anyone here who will stand with a straight face and say this isn't designed to affect a Federal election? Anybody think this is fine? Go to a friend someplace that has $40 million and say, will you lend us $1 million, we have these two folks we don't like—one in one State up north and one in a State down south. We want to put half a million into each State and defeat them because they happen to be of a political persuasion we don't like, and we don't want them serving in the U.S. Senate. If you give us $1 million we will package it in two parts, half a million into each State. Your name will never be used. No one will know you did it. We will package up these kind of 30-second slash, tear and burn political ads and claim they are issue ads and they can be paid for with soft money.

Does anybody in this body believe this is a process that the American people ought to respect? That this is a process the American people think makes sense? Do we really believe that money is equal to speech and that anything that we would do to change the amount and kind of money spent in the pursuit of any campaign is somehow inhibiting the political process?

I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. Is that off of your time?

The PRESIDING OFFICER (Mr. SESSIONS). The presumption would be we would recess at 12:32.

Mr. MCCONNELL. I believe I have 7 minutes, and I do want to reserve my 7 minutes.

Mr. DORGAN. I do want to make a couple of final points here. We can decide to do one of two things in this Senate on this day or this week. We can decide that campaign finance system in this country is just fine, that nothing is wrong with it, that we like the way it works. We can say that we think it has the respect of the American people, that we think this sort of nonsense that goes on is just fine and perfectly within the rules, that we think that the growth of soft money, the growth of spending in campaigns in this country is wonderful. We can say we think this explosion in political money reflects the American people's determination to acquire more and more speech, and that we think the American people believe, as some would say, that this system works just fine.

Or we can decide that something smells in campaign finance, that something is wrong with campaign financing in this country, that we see the costs of political campaigns are skyrocketing up, up, way up because we have people who believe they can take secret money and now use it to buy elections. We can decide something is horribly wrong with that, and we can decide that we know the American people know there is something horribly wrong with that. We can decide that it is in our province to do something about it, now, today, this week, this month. We in Congress can do something about this. We can do something about it without hurting free expression anywhere in this country, and anywhere in our political system. No one who supports reform wants to restrict free speech in this country, nor should we do that. But we can decide that this system is out of control, that this system disserves our democratic process, and that we must pursue a better way.

Senator MCCAIN and Senator FEINGOLD have proposed a piece of legislation. Is it perfect? No, it is not. But it is a good piece of legislation. I am a cosponsor. I want this Congress to pass that piece of legislation this week, have the House pass it, get to conference and pass a piece of campaign finance reform that will make the American people proud.

The PRESIDING OFFICER. The Senator from Kentucky has 7 minutes.

Mr. MCCONNELL. After I use 7 minutes, we go into recess for policy luncheons?

The PRESIDING OFFICER. The Senator is correct.

Mr. MCCONNELL. Maybe a good place to wrap up the morning discussion, which I think has been a good one, is to call to the attention of Members of the Senate an NPR morning edition commentary by a woman named Wendy Kaminer who is a professor at Radcliffe College—not exactly a bastion of conservatism. This was NPR's morning edition, December 3, 1997, on the subject we are debating here today.

Professor Kaminer said in her commentary that morning:

Protecting the act of spending money as we protect the act of speaking means standing up for the rights of the rich, something not many self-identified progressives are eager to do.

But the realization that money controls the exercise of rights is hardly new. Money translates into abortion rights, for example, as well as speech. Indeed, liberals demand Medicaid funding for abortions precisely because they recognize that money insures reproductive choice. Money also insures the right to run for office. Liberal support for reforms that provide minimum public subsidies to candidates is based on an implicit recognition that exercising political speech requires spending money.

So proposed public financing schemes are based on the fact that reformers like to deny—the fact that sometimes money effectively equals speech. Reformers who support public financing argue persuasively that candidates with no money have virtually no chance to be heard in the political marketplace. They want to provide more candidates with a financial floor, in order to insure more political speech. It is simply illogical for them to deny that a financial celing—caps on contributions and expenditures—is a ceiling on political speech.

It is absurd to deny that that is a cap on political speech. Professor Kaminer went on:

We need campaign finance reform that respects speech and the democratic process; it would subsidize needy candidates and impose no spending or contribution limits on anyone.

She says:

I'm not denying that money sometimes corrupts. It corrupts everything, from politics to religion. But if some clergymen spend the hard-earned money of their followers on fast women and fancy cars, there are others who raise money in order to spend it on the poor. While some politicians seek office for personal gain, others seek to implement ideas, however flawed. Money only corrupts people who are already corruptible. It is terribly naive and misleading for reformers to label their proposals ''clean election laws.'' Dirty politicians who sell access and lie to voters in campaign ads will not suddenly become clean politicians when confronted with limits on contributions and spending.

Reformers are guilty of false advertising when they market campaign finance reform as a substitute for integrity. Politicians are corrupted by money when they are unprincipled. Limiting the flow of money to them will not increase their supply of principles. And, in the end, money may be less corrupting than a desire for power, which can engender a willingness to pander rather than lead.

Finally, she says:

If I wanted to influence Bill Clinton, I would not write him a check, I'd show him a poll.

So, Mr. President, it is the denial of the obvious to conclude that the limitation on the financing of campaigns or restrictions on the ability of individuals or groups to amplify their message is anything other than a degrading, a quantification, a limitation of their ability to express themselves in our democracy. And the bill that we have before us essentially seeks to weaken the

parties and make it impossible for outside groups to criticize us in proximity to an election.

There is no chance the courts would uphold this, but fortunately we are not going to give them a chance to rule on this because we are not going to pass this ill-advised legislation.

Mr. President, how much time is left?

The PRESIDING OFFICER. All time has expired.

I believe the Senator from Illinois wants to speak on a separate subject. The Senator would need to make a unanimous consent request.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO PENNY SEVERNS OF ILLINOIS

Mr. DURBIN. Mr. President, on Saturday morning, in the early morning hours, my wife and I received a telephone call that was a shock to us. A dear friend and close political ally of ours, State Senator Penny Severns of Decatur, IL, had succumbed to cancer in the early morning hours.

I have literally known Penny Severns for over 25 years, since she was a college student. I followed her political career. We had become close and fast friends. The outpouring of genuine warmth and affection for Penny that we have heard over the last few days since the announcement of her death has been amazing.

Penny Severns was 46 years old. A little over 3½ years ago, she was running for Lieutenant Governor in the State of Illinois, and she discovered during the course of the campaign that she had breast cancer. I think most people, upon hearing that they had cancer, would stop in their tracks, would not take another day on the job, would head for the hospital and the doctor and say that the rest of this could wait. But not Penny Severns. She announced that she was going through the chemotherapy and radiation and then would return to the campaign trail. And she did.

I will tell you, in doing that, she inspired so many of us because her strength, her caring, her spirit, were just so obvious. She finished that campaign and was reelected to the State Senate and announced last year she was going to run for secretary of state in our State of Illinois. She filed her petitions, and within a week or so it was discovered she had another cancerous tumor, and in December she went into the hospital to have it removed. She went through the radiation and chemotherapy afterwards and had a very tough time. Unfortunately, she succumbed to the cancer in the early morning hours last Saturday.

It is amazing to me how a young Democratic State Senator like this could attract the kind of friends she did in politics. Penny was not wishy-washy; when she believed in something, she stood up for it. Yet, if you listened to Republicans and Democrats alike who have come forward to praise her for her career, you understand that something unique is happening here.

There is so much empty praise in politics. We call one another ''honorable'' when we are not even sure that we are. But in this case, people are coming forward to praise State Senator Penny Severns because she truly was unique, not just because she fought on so many important political issues and gave all of her strength in doing that, but because of her last fight, which was her personal fight against cancer, and the fact that she just would not give up and would not give in.

Breast cancer has taken a toll on her family. She lost a younger sister to breast cancer a few years ago, and her twin sister is in remission from breast cancer today. Penny dedicated herself, in the closing years of her service, to arguing for more medical research when it came to breast cancer—not just for her family, but for everybody. That is part of her legacy. She will be remembered for that good fight and so many others.

I have to be honest with the Presiding Officer and the other Members. I would rather not be here at this moment. I would rather be in Decatur, IL, because in just a few hours there will be a memorial service for Penny Severns. My wife will be there, and I wish I could be there, too. But if there is one person in Illinois who would understand why I had to be here on the campaign finance reform debate, it was Penny Severns. I am going to miss her and so will a lot of people in Illinois.

Thank you, Mr. President.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota, Mr. GRAMS, is recognized.

Mr. GRAMS. I ask unanimous consent to speak up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHY WE MUST RETURN ANY BUDGET SURPLUS TO THE TAXPAYERS

Mr. GRAMS. Mr. President, I rise today to express my strong disappointment as my colleagues waffle on our commitment to allow working Americans to keep a little more of their own money.

I rise as well, Mr. President, to make the case for returning any potential budget surplus to the taxpayers.

Mr. President, I was shocked to pick up the Washington Times on February 18 and find the headline ''Senate GOP leaders give up on tax cuts.''

Having been elected on a pledge to reduce taxes for the working families of my state, the idea that we would so quickly abandon a core principle of the Republican Party is a folly of considerable proportions, one I believe would abandon good public policy.

In all the legislative dust that is kicked up in Washington, someone has to consider the impact of high taxes and spending, and speak up for the people who pay the bills: the taxpayers.

When the Republican Conference met on February 11 to outline our budget priorities for the coming year, I joined many of my colleagues in stressing the need for continued tax relief. I did not leave the room with the belief that we had abandoned the taxpayers.

Yet that is precisely what the Conference's ''Outline of Basic Principles and Objectives'' does, because under the Conference guidelines, tax relief for hard-working Americans would be nearly impossible to achieve.

Mr. President, since its very beginnings in the 1850s, the Republican Party has dedicated itself to the pursuit of individual and states' rights and a restricted role of government in economic and social life.

In 1856, the slogan of the new party was ''Free Soil, Free Labor, Free Speech, Free Man.'' It is still our firm belief that a person owns himself, his labor, and the fruit of his labor, and the right of individuals to achieve the best that is within themselves as long as they respect the rights of others.

The fundamental goal of the Republican Party is to keep government from becoming too big, too intrusive, to keep it from growing too far out of control.

We constantly strive to make it smaller, waste less, and deliver more, believing that the government cannot do everything for everyone; it cannot ensure ''social justice'' through the redistribution of private income.

These two different approaches of governance are indeed a choice of two futures: A choice between small government and big government; a choice between fiscal discipline and irresponsibility; a choice between individual freedom and servitude; a choice between personal responsibility and dependency; a choice between the preservation of traditional American values versus the intervention of government into our family life; a choice of long-term economic prosperity and short-term benefits for special interest groups, at the expense of the insolvency of the nation.

I think history has proven that whenever we have stuck to Republican principles, the people and the nation prosper, freedom and liberty flourish; whenever we abandon these principles for short-term political gains, it makes matters far worse for both our Party and our country.

Here are two examples. Facing a $2 billion deficit and economic recession in 1932, the Hoover Administration approved a plan to drastically raise individual and corporate income taxes.

Personal exemptions were sharply reduced and the maximum tax rate increased from 25 percent to 63 percent. The estate tax was doubled, and the gift tax was restored. Yet the federal revenue declined and the nation was deeply in recession.

President Reagan took the opposite approach in 1981 when he enacted a 25 percent across-the-board tax, and again in 1986 when he signed a landmark piece of legislation to reduce the marginal tax rate to a simple, two-rate income tax system: 15 percent and 28 percent.

What resulted was nothing short of an economic miracle. Our nation experienced the longest peacetime economic expansion in American history, the benefits of which we are still enjoying today.

Over eight years, real economic growth averaged 3.2 percent and real median family income grew by $4,000, 20 million new jobs were created, unemployment sank to record lows, all classes of people did better, and in spite of lower rates, tax revenues increased dramatically.

Mr. President, let us not forget the fact that the Republicans gained control of Congress in 1994 because we were the champions of the taxpayers—the American people trusted us to carry out our promise when we said, ''Elect a Republican majority and we will work to let you keep more of the money you earned.''

The taxpayers elected us with the expectation that Republicans would seize every opportunity to lessen the tax burden on America's families.

They certainly did not elect Republicans thinking we would be a collaborator of the President's tax-and-spend policies—that we wouldd build a bigger, more expensive government at the first chance we got and completely abandon our promise of tax relief for them.

Is this the same Republican majority that arrived in Washington in January of 1995, ready to create fundamental change in a government that had enslaved so many working families for so many years?

Is this the same Republican majority that promised the American people that there was no turning back to the era of big government and higher taxes? Is this the same Republican majority that I was so proud to be part of?

It has been tremendously disappointing to me, and I believe the majority of taxpayers, to read the recent comments from those who have endorsed the President Clinton's ''save Social Security first'' gimmicks and are seeking to eliminate meaningful, achievable tax cuts from the next fiscal year's budget.

As I said before on this floor, if we do not carry out the taxpayers' agenda, we may as well pack up our bags and go home, because we will have failed. And the price of that failure will fall on the backs of those we were elected to represent. I believe any retreat from that promise would be a terrible mistake.

Tax relief is still critical for America for two basic reasons—moral and economic.

First, there is a moral case to be made for continuing tax cuts.

The robust American economy and working Americans, not government action, have produced this unprecedented revenue windfall. These unexpected dollars have come directly from working Americans—taxes paid by consumers, individual labor, and investment income. This money belongs to the American people.

Washington should not be allowed to stand first in line to take that away from American families, workers, and job creators. It is moral and fair that they keep it.

We have also heard the argument that we already had a large tax cut last year, so there is no need for more tax cuts. Let me set the record straight.

Last year, after spending $225 billion unexpected revenue windfall and busting the 1993 budget spending caps to do it, the Republican Party delivered tax relief only one-third as large as what we would promised in 1994.

Those tiny tax cuts—no more than slivers, really—amounted to less than one cent of every dollar the federal government takes from the taxpayers. Is one cent worth of tax relief too much? I do not really think so.

And the President today wants to increase spending by $123 billion and increase taxes $115 billion, wiping out entirely—and more—the tax reduction of 1997.

A recent Tax Foundation study shows that 1997's tax cuts came too late to stem the rising tax burden on the American families.

The study finds that Federal, State and local taxes claimed an astonishing 38.2 percent of the income of a median two-income family making $55,000—up from 37.3 percent in 1996. That is about a 1 percent increase.

When we ask the Government to take a small cut of 1 percent across the board they say it's impossible. But nobody asked the taxpayers how they were going to manage to pay another percent more of their income in taxes. They either had to reduce their spending or make do without. But the Federal Government doesn't have to do that. Federal taxes under President Clinton consumed 20 percent of America's entire gross domestic product in 1997. That is the highest level since 1945, when taxes were raised to finance the enormous expenses of the Second World War.

The average American family today spends more on taxes than it does on food, clothing, and housing combined. If the ''hidden taxes'' that result from the high cost of government regulations are factored in, a family today gives up more than 50 percent of its annual income to the government. At a time when the combination of federal income and payroll taxes, State and local taxes, and hidden taxes consumes over half of a working family's budget, the taxpayers are in desperate need of relief.

Thanks to the Clinton Administration, the Democratic minority, and the Republicans of this Congress, big government is alive and well. In fact, the Government is getting bigger, not smaller. Total taxation is at an all-time high. So is total Government spending. Annual Government spending has grown from just $100 billion in 1962 to $1.73 trillion today, an increase of more than 17 times. Even after adjustment for inflation, Government spending today is still more than three times bigger than it was 35 years ago. It will continue to grow to $1.95 trillion by 2003 nearly $2 trillion a year. In the next 5 years, the government will spend $9.7 trillion, much of it going toward wasteful or unnecessary government programs. Tax relief is the right solution because it takes power out of the hands of Washington's wasteful spenders and puts it back where it can do the most good: with families.

There is also an economic case for cutting taxes for working Americans. Lower tax rates increase incentives to work, save, and invest. They help to maximize the increase in family income and improvements in standards of living. Beyond the direct benefits to families, tax cuts can have a substantial, positive impact on the economy as a whole. It was John F. Kennedy who observed that:

> an economy hampered with high tax rates will never produce enough revenue to balance the budget just as it will never produce enough output and enough jobs.

President Kennedy was able to put his theories to work in the early 1960s, when he enacted significant tax cuts that encouraged one of the few periods of sustained growth we have experienced since the Second World War. Twenty years later, President Ronald Reagan cut taxes once again. The reinvigorated economy responded enthusiastically.

Mr. President, should we save Social Security first or provide tax cuts first? My answer is that we must do both in tandem. We had a very similar debate last year about whether we should balance the budget first and provide tax cuts later. The truth is we can absolutely do both at the same time, as long as we have the political will to enact sound fiscal policies.

I agree with the Conference leadership that reforming the Social Security and Medicare programs to ensure their solvency is vitally important. Any projected budget surplus should be used partly for that purpose. Yet, I believe strongly that the Congress owes it to the taxpayers to dedicate a good share of the surplus for tax relief. After all, the Government has no claim on any surplus because the Government did not generate it—it will have been borne of the sweat and hard work of the American people, and it therefore should be returned to the people in the form of tax relief.

Our Social Security system is in serious financial trouble, a fiscal disaster-in-the-making that is not sustainable in its present form. Simply funneling money back into it will not help fix the problem. It will not build the real assets of the funds for current and future

beneficiaries and it does not address the flaws of the current pay-as-you-go finance mechanism. Without fundamental reform, using the general revenue to pay for Social Security equals a stealth payroll tax increase on American workers. I believe using part of the budget surpluses to build real assets by changing the system from pay-go to pre-funded is the right way to go.

The President is maintaining that not one penny of the surplus would be used for spending increases or tax cuts. To that, I must say Mr. Clinton is not being at all truthful to the American people. In his FY 1997 budget, he proposes $150 billion in new spending, which is well above the spending caps he agreed on last year. In the next five years, he will raid over $400 billion from the Social Security trust funds to pay for his Government programs. If Mr. Clinton is serious about saving Social Security, he should stop looting the Social Security surplus to fund general government programs, return the borrowed surplus to the trust funds, and withdraw his new spending initiatives—only then will he be qualified to talk about saving Social Security.

Wrapping up, Republicans should not allow Mr. Clinton to hold any budget surplus hostage. We should continue pursuing our ''taxpayers' agenda'' and do what is right for working Americans. It is clear to me that returning part of the budget surplus to the taxpayers in the form of tax relief is the right thing to do. But how should we do it? In my view, the best way is to have an across-the-board marginal tax rate cut and eliminate the capital gains and estate taxes. This will help to improve American competitiveness in the global economy and increase national savings.

However, tax cuts will not solve the problems once and for all. The origin of this evil is the tax code itself. We must end the tax code as we know it and replace it with a simpler, fairer and more taxpayer-friendly tax system.

By creating a tax system that is more friendly to working Americans and more conducive to economic growth—one based on pro-family, pro-growth tax relief—Congress and the President can make our economy more dynamic, our businesses more competitive, and our families more prosperous as we approach the 21st century.

Again, to omit tax cuts from this year's budget resolution is totally unacceptable to Republicans seeking to deliver on our commitment to return money to the taxpayers. I will not walk away from our obligation to the American taxpayers to pursue a Federal Government that serves with accountability and leaves working families a little more of their own money at the end of the day. I intend to make good on my promise to the taxpayers, and I urge my fellow Republicans, especially our leadership, in the strongest terms possible, to honor your commitment as well by considering meaningful tax relief in the budget resolution.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15.

Thereupon, at 12:52 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. BURNS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYCHECK PROTECTION ACT

The Senate continued with the consideration of the bill.

Mr. FEINGOLD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The time is occurring equally divided on the bill until 4 p.m.

Mr. FEINGOLD. Mr. President, I ask to yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator has that right. The Senator from Rhode Island.

Mr. REED. Thank you, Mr. President.

Mr. President, today I rise in strong support of the bipartisan compromise amendment offered by Senators MCCAIN and FEINGOLD. This would be reasonable but limited reform of our campaign finance system, reform that is long overdue.

This legislation would effectively change two very important issues with respect to campaign finance reform. First, it would ban soft money, those unlimited, unregulated gifts by corporations, wealthy individuals, and unions to political parties. The soft money issue has created a great crisis within the electoral system of the United States.

Second, the bill would require those who run broadcasts which expressly advocate the election or defeat of a candidate within a certain window, 30 days of a primary or 60 days of a general election, to play by the same rules applying to candidates and others who participate in political campaigns. Thus, organizations funding such broadcasts would have to disclose the individuals and political action committees which fund their advertisements.

This would curtail what has become an explosion throughout our American political system. Phony issue advertisements are unconstrained, cropping up suddenly, without attribution, to strike at candidates.

These are two very important reforms which must be implemented to preserve the integrity of our political system by inspiring within the American people confidence that we, in fact, are conducting elections and not auctions for public offices. I believe these provisions are very, very important.

Again, I commend both Senators MCCAIN and FEINGOLD for their efforts. I also commend my colleagues from the States of Vermont and Maine. Senator JEFFORDS and Senator SNOWE are proposing another amendment which would help break the current gridlock we have on this legislation. The Snowe-Jeffords proposal also addresses the issue of phony advertising through better disclosure of those who are participating in campaigns. I think their efforts are commendable.

Frankly I prefer a much more robust form of campaign finance reform. I believe that at the heart of our problem is the Supreme Court decision of Buckley v. Valeo, which more than 20 years ago held that political campaign expenditures could not be limited. Frankly, I think the decision is wrong. Justice White, who dissented from that opinion and, by the way, was the only Member of that Court with any practical political experience, declared quite clearly that Congress has not only the ability but the obligation to protect the Republic from two great enemies—open violence and insidious corruption.

Indeed, the Court in Buckley did accept part of that reasoning by outlawing unlimited contributions to political campaigns, but they maintained that unlimited expenditures were constitutionally permissible.

I believe that we should go further than this bill proposes today. Indeed, we have practical examples within the United States of systems that do constrain contributions and expenditures in political campaigns.

I was interested to note that in Albuquerque, NM, since 1974, the mayor's campaign has been limited to an expenditure of $80,000, equivalent to the salary of the mayor. I know as I go around my home State of Rhode Island, people often ask why a candidate would spend more money in a campaign than he or she would receive in salary to hold that office. In Albuquerque, they took the rather interesting step of capping expenditures to the pay of the mayor.

It turns out that for the last 23 years, the Albuquerque system worked well. Unfortunately, last year the Albuquerque law was challenged in court under the Buckley v. Valeo theory. Up until last year, the municipal law was a model of not only good campaign finance practice but of also good electoral politics. A former mayor, who held the position during the challenge said, ''No one's speech was curtailed, no candidates were excluded, the system worked well.''

I hope we can adopt on another day robust campaign finance reform that would begin to revise the Buckley v. Valeo decision. But today we are here

to support McCain-Feingold, to take a limited step forward to ensure that we go after the two most pressing problems currently facing our political system: the prevalence of soft money and the explosion of issue advertising by third parties. These unaccountable groups surreptitiously enter the race, deal their blow and leave.

I believe if we support today the McCain-Feingold formula, we can, in fact, take a step forward to ensure that our political system is recognized by people as legitimate and positive. I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I yield 5 minutes to the senior Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Thank you very much, Mr. President. I thank both the Senator from Arizona and the distinguished Senator from Wisconsin for their yeoman's work, their perseverance and their energy on behalf of this cause.

I am one who, in a very short period of time, has had to raise very large amounts of money for political campaigns. And I am one who has watched and seen the evolution of soft money and what that soft money has wrought upon the American political system.

So I rise today to join with my colleagues in very staunchly supporting the McCain-Feingold legislation.

Since the 1996 election, Members of Congress and the public have repeatedly called for reform of what is, without question, a broken system.

Congress had ample opportunity to pass this bill last October, but, shamefully, after so much talk, there was still no action to back it up. It should be no source of pride for this body to know that the public believes that Congress is all talk and no action on an issue that has dominated the Washington agenda for the last year and a half.

Now we have an opportunity to put our votes where our mouths are when it comes to campaign spending reform and, if nothing else, vote to ban soft money.

It is interesting to read the newspapers where Member of Congress after Member of Congress admits to the vicissitudes and the problems of soft money. For the first 6 months of 1997, the Republican Party raised $21.7 million and the Democrats $13.7 million. Both of these figures are increases over the 1995–1996 cycle, and both are sure to rise in the coming months.

While many in this body would like to see stronger legislation, and some would like to see no legislation at all, it is important to note that McCain-Feingold is essentially a stripped-down bill, pared to address a number of the most pressing issues. The most important aspect is soft money.

Last fall, we had a healthy debate about the amounts of soft money flowing in and out of party coffers, so I am not going to speak at length about that. But without reform, we can expect soft money expenditures to rocket up with no brakes.

The Court's decision in the Colorado case opens the door to unlimited independent party spending on behalf of candidates running for office as long as those expenditures are not coordinated with the candidates.

Prior to the Colorado decision, parties long supported their candidates with hard money. Those were the regulated dollars. In our case, limited to $1,000 contribution per election.

Increasingly, though, candidate advocacy has fallen to soft money, and that is money contributed in unlimited, unregulated amounts from seldom-disclosed sources.

Increasingly, the form that soft money takes is in scurrilous, vituperate ads that are often far different than reality. I believe that goes for both sides of the aisle. I think it is a scourge on our American political system.

We have an opportunity today to say we ban soft money and to limit express advocacy to a certain length of time prior to the election so that the opportunity for untrue, false and often defamatory ads is greatly reduced. If this bill were to do nothing else, I think that would be an enormous contribution to the political culture of a campaign.

One of the reasons, Mr. President, I did not cast my hat in the California gubernatorial campaign is because of the specific nature of campaigns today. There is very little that is uplifting about them.

The McCain-Feingold bill bans soft money and prohibits parties from funneling money to outside groups and would prohibit party officials from raising money for such groups.

Instead, these groups—and there are similar advocacy groups on both sides—would have to raise money from individual contributors or from PACs to raise money.

There is nothing in the bill barring these groups from continuing to participate in campaigns, but the bill does prohibit these outside groups from serving as de facto party adjuncts funded by the parties.

Also, this bill does nothing to prevent individuals from making unlimited contributions to advocacy groups, it merely requires them to report their contributions.

UNREGULATED SPENDING

This brings me to the critical issue of unregulated spending. This is, essentially, unlimited and undisclosed soft money spent outside the party system.

A study released last fall by the Annenberg Public Policy Center estimated that over two dozen independent groups spent between $135 million to $150 million on so-called issue advertising during the 1996 election cycle.

Of the ads that were reviewed, 87 percent mentioned clearly identified candidates and a majority of those ads were negative.

Most of the time we don't know where these ads come from or who pays for them. All we see are vicious personal attack ads which pop up on television during a campaign and, occasionally, a follow-up newspaper article or report claiming credit and detailing the particulars of the attack.

Let me give you some examples of what I am talking about:

This is an issue ad that ran in the last Virginia Senate election. It was placed by a group called Americans for Term Limits:

Announcer: It's a four letter word. It's a terrible thing. It's really a shame it's so widespread. It's here in Virginia. The home of Washington and Jefferson . . . of all places. The word is D-E-F-Y. Defy. That's what Senator X is doing. He's defying the will of the people of Virginia and America. By a five to one margin, the people who pay Warner's salary support Congressional term limits. Yet Warner is defying the people's will on term limits—on important and needed reform. Senator X has refused to sign the U.S. Term Limits Pledge and has promised to fight against enactment of Congressional term limits. An 18-year Congressional incumbent, Senator X, is defying the clearly expressed wishes of the people he's supposed to represent. Call Senator X and ask him to stop defying the will of the people on term limits. Your action can make a difference. Tell Senator X to sign the U.S. Term Limits Pledge.

The AFL–CIO ran the following ad in its much publicized campaign:

Announcer: Working families are struggling. But Congressman X voted with Newt Gingrich to cut college loans, while giving tax breaks to the wealthy. He even wants to eliminate the Department of Education. Congress will vote again on the budget. Tell Congressman X, don't write off our children's future.

Both of these ads are clearly designed to get voters to support one candidate—or in both of these to oppose a specific candidate—and both mention candidates by name.

Yet, both are artfully crafted to elude campaign disclosure laws because neither use the ''magic words'' that would make them express advocacy and subject to campaign finance laws. The ''magic words'' outlined in a footnote on the Buckley case are ''vote for,'' ''elect,'' ''support,'' ''cast your ballot for,'' ''Smith for Congress,'' ''vote against,'' ''defeat,'' and ''reject.''

McCain-Feingold modernizes the definition of express advocacy and adds to its current definition the criterion of using a candidates name in advertisements within 60 days of an election.

What this means is that campaign advertisements that use a candidate's name within 60 days of the election would be considered express advocacy and could not be funded with unregulated and undisclosed money.

Instead, groups wanting to expressly advocate the election or defeat of an identified candidate would have to abide by federal campaign finance laws, raise hard money to fund their attacks and disclose the donors.

Will this have a dramatic impact? The answer is unequivocally yes.

Candidate ads that name names and run within 60 days of the election will be recognized for the express advocacy they are and would be subject to funding limits and reporting requirements. issue ads meant to educate voters on the issues will still be permitted as long as they do not cross the line.

Last month, a Wisconsin court looked at exactly this issue: if the state can crack down on advertisements clearly designed at influencing the election, but that stop short of requesting voters to support or oppose candidates.

The debate in the Court mirrors exactly what the issue is here. Wisconsin Attorney General James Doyle said in a Washington Post article:

The heart of this issue is if you run an ad that any reasonable person who looks at it recognizes to be a political ad, just before an election, in which you call a particular person names, and use phrases like ''send a message'' to that person but do not use the magic words ''vote for'' or ''vote against,'' whether you can then avoid all the basic campaign finance laws that we have in the state.

That is what we're looking at here and that is exactly the issue we have before us.

OTHER NOTEWORTHY AREAS IN THE BILL

There are some other areas of the bill which, I believe, enhance accountability for how campaign money is spent.

Requiring candidates to attest to the content of ads they fund. I would like to see this go one step further and require candidates to attest to the veracity of independent ads that are run on their behalf. The problem lies not with the candidates, but with these anonymous attack ads.

Leveling the playing field between self-financed candidates and candidates who rely on contributions. This bill prohibits parties from making coordinated expenditures on behalf of candidates who spend more than $50,000 of their own money. I would like to see a mechanism whereby we would raise individual contribution limits for candidates running against self-financed candidates.

Lowering the disclosure requirement for contributions to candidates from $200 to $50.

Requiring that any person (including political committees, i.e. unions, corporations, and banks) making independent expenditures over $10,000 (aggregate) prior to 20 days before an election, file a report with the FEC within 48 hours.

Requiring that any person (including political committees, i.e. unions, corporations, and banks) making independent expenditures over $1,000 within 20 days of an election report that expenditure to the FEC within 24 hours.

Requiring individuals making disbursements of over $50,000 annually (aggregate) file with the FEC on a monthly basis.

CONCLUSION

It is important to note that nothing in this bill prohibits any type of speech. We are all aware of the Court's guarantee in Buckley that spending is the equivalent of speech. With the exception of banning parties receiving soft money, nothing in this bill limits how much can be spent on campaigns.

This legislation seeks to hold candidates accountable for what they say, how they say it and, most importantly, how far unregulated special interests are allowed to go in paying to impact elections.

This bill gives Congress the opportunity to make a real difference. I hope we will have that chance.

The PRESIDING OFFICER. The 5 minutes allocated to the Senator have expired.

Mrs. FEINSTEIN. I thank the Chair.

Mr. MCCONNELL. Mr. President, I yield 5 minutes to the distinguished Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I thank my colleague for yielding to me. Let me, again, tell him how grateful I am for the work he has done on the issue of campaign finance reform and the clarity which he has brought into the debate which I think the American people now understand.

I say that in the context now of the discussion that goes on in this Chamber, and I also look at the news of the day. The media, I think, has really attempted to work up a bit of a feeding frenzy, showing all kinds of angles as to how this issue might have divided Congress, that it has divided the members of the same party, that there is a cry of outrage across the land as people stand up ready to storm the Capitol in protest over this issue. But despite the media's efforts and despite their hype, the public really does not care about this issue. In the most recent Gallup poll, where people were asked about the most important problems facing the country, campaign finance reform did not appear in the top five items on the list. In fact, in all honesty, Mr. President, it did not appear at all.

The same stands true for the latest CBS News poll and the latest Time/CNN poll, and even the latest Battleground poll by Ed Goaes and Celinda Lake, which is a bipartisan effort to balance out the issues so you cannot question that it might be distorted one way or the other. After extensive research of all of the major polling groups, the issue of campaign finance reform did not show up as a concern amongst almost every American.

What is important to the American people are issues like crime, economic health, health care, education, Social Security and the moral decline of our country. What people really care about is whether their kid will get to school and back safely and whether the schooling they are going to get once they get there is good and of high quality.

They care about keeping their jobs and trying to make ends meet while they watch a good portion of their hard-earned money go to Washington to support what they think is a wasteful Federal bureaucracy.

They care about their future, whether they can save enough money to someday retire and whether they have affordable health care. What they do not care about is campaign finance reform. It isn't a real issue at all. It is an issue created here inside the beltway to try to divide and in some instances to conquer.

Let us just suppose for a minute that people really did care about campaign finance reform, that they sat around the dinner table at night and said, ''Well, dear, how was your day at the office? And, oh, by the way, shouldn't we reform campaign finance?'' I doubt that that question has been asked at any dinner table in America since the last election—after hundreds of millions of dollars were spent by some interests only to generate a passing question about how the system works.

What Americans really do need to know are the details of the campaign laws that are currently on the books. You know, once you begin to explain the laws that are out there today, their eyes glaze over and they say, ''Well, isn't that enough?'' And I think they need to know about some appalling campaign practices that were used by this administration in their reelection.

Now, we had a committee spend millions of dollars here searching out these allegations. I use the word ''allegations.'' My guess is the only result from it was that it diverted our attention away from other scandals besetting this administration for some period of time.

They need to know what Congress wants to do to reform campaign finance laws and to level the playing field so that neither political party has an unfair advantage over the other. They need to know what we are going to do to make all political contributions voluntary so that no person, union or nonunion worker, is forced to pony up their money for political purposes without their expressed consent or permission.

Is it possible that today in America people are forced to contribute money that goes to political purposes they do not want? Oh, yes, Mr. President, you bet it is. And that is the issue in an amendment before us. I do not care how the other side tries to whitewash it, the bottom line is hundreds of thousands of American working men and women who are members of unions, when given the opportunity to give voluntarily, walk away from the forced contribution that goes on currently within their unions.

Americans need to know what we are going to do to give them complete and immediate access to campaign contribution records about who gives and to whom. This prompt and full disclosure of so-called ''soft money'' campaign donations will make the names of the donors immediately public and allow voters to decide if the candidate is looking after their best interests.

So I have suggested to you today what I think Americans want to know and, most importantly, what Americans do not want to know or do not care to know or sense no urgency in knowing.

However, under the McCain-Feingold plan, there would be an across-the-board ban of soft money for any Federal election activity, Mr. President. I feel this is a grave mistake for the political process. Report it? You bet. Report it promptly? You bet. Let the American people know they have a right to know. To ban it? Well, let us talk about that for a moment.

Let me first recognize my colleagues who have worked hard on this issue, and let me also recognize that I think they are people with a deep concern. I have great respect for them. I have respect for their tenacity and their diligence as they brought this issue to the floor. But I just flat disagree with them. And I think a good many other of my colleagues disagree with them. And I think there is a substantial basis for that disagreement.

As for the ban on soft money, I have several major reservations on how this measure would ultimately impact the current campaign finance system, not improving it, but creating such a hardship on this country's State and local political parties that it would force them to spend more time concentrating on raising money in order to exist.

Under the McCain-Feingold proposal, the ban on soft money, any State and local party committees would be prohibited from spending soft money for any Federal election activity.

Right now, State and local parties receive so-called ''soft money'' from their national political parties. Here in Washington, both the Republican National Committee and the Democrat National Committee receive money from donors. Some of that money is then distributed to the respective political parties in counties and locales around this country. There are thousands of State, county and local party officials who receive this financial aid.

Then, under certain conditions—and they are clear within the law—the money is used for activities such as purchasing buttons and bumper stickers and posters and yard signs on behalf of a candidate. The money is also used for voter registration activities on behalf of the party's Presidential and vice Presidential nominees. The money is also used for multiple candidate brochures and even sample ballots.

Let us talk about election day. You go down to the local polling site. Maybe it is a school or a church or an American Legion hall. Sometimes there is a person standing out there who hands you a sample ballot listing all of the candidates running for office in your party and the other party. And it is quite obvious some people at that point are not yet informed. They tend to vote their party. This is an assistance. No subterfuge about it. It is very up front. It is very clear and it is what informing the public and the electorate is all about.

But under the McCain-Feingold proposal, it would be against the law to use soft money to pay for a sample ballot with the name of any candidate who is running for Congress on the same ballot that the State and local candidates were on.

Under McCain-Feingold, it would be against the law to use soft money to pay for buttons, posters, yard signs, and brochures that include the name or the picture of a candidate for Federal office on the same item that has the name or the picture of a State or a local candidate office on it. What you are talking about is setting up a morass of laws to be implemented and to be enforced that becomes nearly impossible to do.

I ask unanimous consent for an additional 5 minutes.

Mrs. BOXER. Reserving the right to object.

The PRESIDING OFFICER. Does the Senator from Kentucky yield the Senator from Idaho the additional 5 minutes?

Mr. McCONNELL. Yes.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Under McCain-Feingold, it would be against the law to use soft money to conduct a local voter registration drive for 120 days before the election. These get-out-the-vote drives, which have proven to be effective tools for increasing all of our parties' interests and the public's interests, would simply be banned.

Why would we want to ban all that I have mentioned? Because under these new laws in McCain-Feingold's plan State and local officials would have to use hard money instead of soft money. And already by what I have said, the public is confused. What is hard money? What is soft money? How does it get applied? We have the FEC that is out there now trying to make rulings on something that happened 3, 4, 5 years ago. What we are talking about is timely reporting, not creating greater obstacles for the process.

Most importantly, what we are talking about, Mr. President, is free speech. It is what the majority leader has called very clearly the greatest scandal in America. Well, the greatest scandal in America is not campaign financing. The greatest scandal in America is trying to suggest that there is a scandal when it does not exist, a scandal that under anyone's measurement just does not meet the muster.

Poll America. I have mentioned that polling. And it does not work. Back home in my State, when I suggested at town meetings that campaign finance is an issue, they scratch their heads and say, ''Why?'' Most importantly, today, now they are coming out and saying, ''No. And, Senator CRAIG, let me tell you why it wouldn't work. Because I, as an individual, am a member of a small group, and I can contribute collectively and that small group's voice can become louder. And if I am able to make my voice louder, then I can affect, under the first amendment of the Constitution, my constitutional right as a free citizen of this country by the amplification of my voice, my ideas, and my issues in the election process.''

Of course, our colleague and leader on this issue, Mitch MCCONNELL, has made it so very clear by repeating constantly what the courts of our country have so clearly said—that the right to participate in the political process, the right to extend one's voice through contribution is the right of free speech.

So no matter how you look at what is going on here on the floor, no matter how pleading the cries are that major reform is at hand, let me suggest a few simple rules. Abide by the laws we have—and 99 percent of those who enter the political process do—abide by those laws, and you do not walk on the Constitution and you guarantee the right of every citizen in this country, whether by individual power or by the collective power of individuals coming together, the insurance of free speech.

Why has the Senate rejected this issue in the past? And why will they reject it Thursday when we finally vote on this once again? Because we will not trample on free speech. We recognize what Americans across the board have said to us: Provide limited instruction, which we already have in major campaign finance reform over the last several decades, and then we trust that we will be able to extend our voice in the political process, and through that our freedoms, our constitutional freedoms, will be guaranteed, and the political process will not be obstructed by the bureaucracy that is trying to be created here today by McCain-Feingold.

Let us look at the reality of this situation. Because of these new restrictions, local party officials—say like the Republican party chairman in Custer County, ID,—will be forced to seek out hard money donations from local businesses and individuals to fund these political activities.

In a county of a little better than 4,000 people, this party official—who is more than likely a volunteer—now has to spend more of his or her time fundraising, not to mention the fact that those with more money stand a better chance of winning an election.

Party affiliation will become insignificant.

In other words, raising hard money will become a bigger concern for these State and local officials than ever before. And, whomever raises the most money can then fund more political activities.

Mr. President, what kind of campaign finance reform is this? What are we trying to accomplish? We've just added more laws to a system that is already heavily burdened with regulations, forced thousands of State and local party officials to go out and raise money, and created more confusion for the voters. If the point of the McCain-

Feingold plan is to reform the campaign finance system, the last thing you want to do is ban soft money.

Instead, full and immediate public disclosure of campaign donations would be a much more logical approach.

With the help of the latest technology, we could post this information on the Internet within 24-hours. Let us open the records for everyone to see.

Anyone interested in researching the integrity of a campaign, or in finding out the identity of the donors, or in looking for signs of undue influence or corruption would only have to have access to a computer. They could track a campaign—dollar for dollar—to see first hand where the money is coming from.

But Mr. President, what bothers me the most about the McCain-Feingold proposal is not what is in the bill, but what has been left out.

As I said, it is—what the majority leader once called—''the great scandal in American politics * * * and the worst campaign abuse of all.'' That is the forced collection and expenditure of union dues for political purposes.

Mr. President, this is nothing short of extortion.

Let me make myself clear, I fully support the right of unions and union workers to participate in the political process. Union workers should and must be encouraged to become involved and active in the electoral process. It is no only their right but their civic responsibility.

Back in my home state of Idaho, I meet with union workers in union halls, on the streets, and in their homes. And I hear their complaints, their anger and their outrage over how their dues are being spent and mishandled by national union officers.

They say to me ''Senator CRAIG, every month I am forced to pay dues that are used for political purposes I don't agree with. But what can I do? If I speak out, they'll call me a trouble maker!''

During the 1996 elections alone, union bosses tacked on an extra surcharge on dues to their members in order to raise $35 million to defeat Republican candidates around the country. It is likely they used much more of the worker's money than they reported, but I am sure we will never find out the truth.

But under the Paycheck Protection Act, union workers will have new and exapanded rights and the final say on how their money is being spent. The legislation not only protects the rights of union workers, but also makes it clear that corporations adhere to the same measure.

Unions and corporations would have to get the permission in writing from each employee prior to using any portion of dues or fees to support political activities. And, workers will have the right to revoke their authorization at any time.

Finally, employees would be guaranteed the protection that if their money was used for purposes against their will, it would be a violation of Federal campaign law. Mr. President, this is commonsense legislation and it is the right thing to do.

Mr. President, I thank my colleague from Kentucky for his leadership on this issue.

The PRESIDING OFFICER. Who yields time?

Mr. MCCONNELL. Just briefly, I thank the Senator from Idaho for his outstanding contribution to this debate. We are grateful for his knowledgeable presentation. I thank him very much. I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I yield 10 minutes, the first 5 minutes to the Senator from California and the following 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from California is recognized for 5 minutes.

Mrs. BOXER. Thank you very much, Mr. President.

Others have spoken to the merits of the McCain-Feingold bill. They have done so quite eloquently. And I want to share in that praise. Reining in special-interest money is absolutely necessary. Why do I say that? Because this is a Government of, by, and for the people. We learned that in school. It is one of the first things we learned, that Government is of, by, and for the people—not a Government of, by, and for the special interests and the people who are very wealthy and the people who could put on pin-striped suits and come up here and lobby us. It is a Government of, by and for the people. It is not for sale. It must not be for sale. We have an obligation to make sure that it is not. We have an obligation to make sure that there isn't even a perception that it is for sale.

Now, for those who say they don't see the difference between a $5 check, a $25 check, even a $1,000 check versus a $50,000 corporate check or a $100,000 check and even a $1 million check which is allowed under the current system, for those who don't see the difference, I say to them that to me, to this Senator, you are simply not credible. You are not credible. Even if there isn't one bit of a desire on the part of someone giving a $1 million check, it sure looks that way. So we have to have rules in place so that we are not perceived as being a Government that is for sale. That is the soft money. Those are the huge dollars that Senators MCCAIN and FEINGOLD are trying to stop.

By the way, those are the huge dollars that play a big role in campaigns today. Right now in Santa Barbara, CA, there is a very important race going on. Congressman Walter Capps died while in office and there is a spirited race to replace him, two good candidates fighting it out on the issues. Mr. President, money is flowing in from outside California into this race. Money is flowing in from people outside my State to influence an election in my State and it is flowing in huge amounts, and it is flowing into negative advertising. Mr. President, that does not lift the debate.

We heard from the senior Senator from California, Mrs. FEINSTEIN, about the need to raise enormous sums of money. She talked about her own decision not to run for Governor because of that. Let me tell you something I have said on this floor before. To raise the amount of money that she would have needed, or I need today to run for the U.S. Senate, would come to $10,000 a day for 6 years including Saturday and Sunday. Now, for 3 years when I got here I couldn't bear to ask anyone for a penny because I had just come from a very tough race and I didn't want to ask anybody for any money, so I didn't get started for 3 years. That means I have to raise $20,000 a day for 3 years to make this budget. It takes time. It takes effort. It is hard. It takes you away from the things you want to do, not to mention the time to think about creative ways to solve the problems that matter to real people.

Now I agree with Senator CRAIG that when you ask people what they care about the most, they don't list campaign finance reform. They list education, crime, sensible gun control, Social Security, the environment, HMO bill of rights, pensions. But if you ask them, do you want your Senator to be free of conflicts or potential conflicts when he or she votes on the economy, votes on HMO reform, votes on the minimum wage, votes on sensible gun control, they will say, of course, I want my Senator to do what is in his or her heart; I don't want my Senator to be conflicted in this either in fact or in perception.

We have a job here to do. My constituents do care. My constituents do write me about this. My constituents do show up at my community meetings and they want me to be strong for campaign finance reform. I get sick, Mr. President, when I hear people come on this floor or on television and say huge money in politics is the American way. They have actually said that—it is the American way. I don't think that is the American way. I don't think it is right to say that huge money in politics is the American way. I think our founders would roll over in their graves. They didn't write a Constitution so that the privileged few could get access or the perception of access. They founded this Nation based on a Government of, by and for the people. I feel sick when I hear free speech equated with money. Yes, I know the Supreme Court said that. But I disagree vehemently with that decision. If someone wealthy has more free speech than someone who is of modest income or poor, there is something wrong.

So I want to say to my friend, RUSS FEINGOLD, and my friend, JOHN MCCAIN, thank you for your persistence. I say to Senators SNOWE, JEFFORDS, and CHAFEE, thank you for

working with us. I think we will have a victory here.

The PRESIDING OFFICER. Under the previous agreement, 5 minutes was yielded to the Senator from Michigan.

It is the understanding of the Chair that the time was yielded to the Senator from Massachusetts.

Mr. KERRY. The time was yielded to the Senator from Michigan, but the Senator from Massachusetts wanted to inquire if we could lock in a sequence if possible. Would it be possible to ask unanimous consent that I be permitted to proceed for 5 minutes following the Senator from Michigan?

The PRESIDING OFFICER. Is there objection? The Senator from Massachusetts sought consent to follow the 5 minutes allocated to the Senator from Michigan.

Mr. MCCONNELL. Reserving the right to object, this is off the other side's time?

Mr. KERRY. Unless the Senator wants to be good enough to give it to me.

The PRESIDING OFFICER. It appears that is the case.

Mr. MCCONNELL. We are under divided time from now until the vote?

The PRESIDING OFFICER. The Senator is correct.

Mr. MCCONNELL. I have no problem, provided it is coming off Senator FEINGOLD's time.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The time will be so charged.

The Senator from Michigan.

Mr. LEVIN. McCain-Feingold takes direct aim at closing the loopholes that swallowed up the election laws. In particular, it takes aim at closing the soft money loophole which is the 800-pound gorilla in this debate.

As much as some want to point the finger of blame at those who took advantage of the campaign finance laws during the last election, there is no one to blame but ourselves for the sorry state of the law. The soft money loophole exists because we in Congress allow it to exist. The issue advocacy loophole exists because we in Congress allow it to exist. Tax-exempt organizations spend millions televising candidate attack ads before an election without disclosing who they are or where they got their funds because we in Congress allow it.

It is time to stop pointing fingers at others and take responsibility for our share of the blame. We alone write the laws. We alone can shut down the loopholes and reinvigorate the Federal election laws.

When we enacted the Federal Election Campaign Act 20 years ago in response to campaign abuses in connection with the Watergate scandal, we had a comprehensive set of limits on campaign contributions. Individuals aren't supposed to give more than $1,000 to a candidate per election or $20,000 to a political party. Corporations and unions are barred from contributing to any candidate without going through a political action committee.

At the time that they were enacted, many people fought against those laws, claiming that those laws—the $1,000, the $2,000 restrictions and the other ones—were an unconstitutional restriction of the first amendment rights to free speech and free association. The people who opposed the current limits on laws which are supposed to be there but which have been evaded through the loopholes, the people who opposed the law's limits, took their case to the Supreme Court. The Supreme Court ruled in Buckley that the campaign contribution limits were constitutional. I repeat that, because there has been a lot of talk on the floor about limits on campaign contributions being violations of free speech. The Supreme Court in Buckley specifically held that limits on campaign contributions were constitutional.

> It is unnecessary to look beyond the act's primary purpose—to limit the actuality and appearance of corruption resulting from large individual, financial contributions—in order to find a constitutionally sufficient justification for the $1,000 contribution limitation. Under a system of private financing of elections, a candidate lacking immense personal or family wealth must depend on financial contributions from others to provide the resources necessary to conduct a successful campaign . . . To the extent that large contributions are given to security political quid pro quo's from current and potential office holders, the integrity of our system of representative democracy is undermined . . . Of almost equal concern is . . . the impact of the appearance of corruption stemming from public awareness of the opportunities for abuse inherent in a regime of large individual financial contributions. . .

That is the Supreme Court speaking on limiting contributions and saying that Congress has a right to stem the appearance of corruption which results from the opportunities for abuse which are inherent in a regime of large individual financial contributions.

Then the court said:

> Congress could legitimately conclude that the avoidance of the appearance of improper influence ''is also critical . . . if confidence in the system of representative government is not to be eroded to a disastrous extent.''

Now the question is, what are we going to do about it? What are we going to do about the unlimited money? Now the test is us. It is time to quit shedding the crocodile tears, quit pointing the fingers. It is time for us to act. It is our responsibility legislatively and it is a civic responsibility.

I thank the Chair and I thank the Senator from Wisconsin for his leadership, along with Senator MCCAIN.

The PRESIDING OFFICER. Under the previous agreement the Senator from Massachusetts is recognized for 5 minutes.

Mr. KERRY. Mr. President, the rising cost of seeking political office is nothing less than outrageous. Last year (1996), House and Senate candidates spent more than $765 million —a 76 percent increase since 1990 and a six-fold increase since 1976. In the same time frame, the more telling figure for our purposes, the average cost for a winning Senate race went from a little more than $600,000 to $3.3 million. And some of us involved in 1996 races raised and spent a great deal more.

And over the last 3 election cycles ''soft money,'' which is money not regulated by federal election contribution laws, and which largely fuels the barrage of negative attack ads, has increased exponentially. In the 1988 cycle, the major parties alone raised a combined $45 million in soft money. In 1992 that amount doubled—and in the 1995–96 cycle that figure tripled again, to a staggering $262 million. Initial FEC reports show this sorry trend continues in the current cycle.

And if Congressional Quarterly and other sources are correct, the Majority's draft of the campaign fundraising investigation of the Governmental Affairs Committee report, due out later this week, will bluntly declare that in 1996 the federal campaign finance system ''collapsed.''

The draft of the Minority's portion of that report, according to the same sources, apparently continues that theme, stating that our dependence on large contributions from wealthy persons and organizations is so great that ''the democratic principles underlying our government are at risk.'' It goes on to state, as reported by Congressional Quarterly:

> ''We face the danger of becoming a government not of the people, but of the rich, by the rich, and for the rich. . . . Activities surrounding the 1996 election exposed the dark side of our political system and the critical need for campaign finance reform.''

Is it any wonder, Mr. President, that Americans believe that their government has been hijacked by special interests—that the political system responds to the needs of the wealthy, not the needs of ordinary, hard-working citizens—and that those of us elected may be more accountable to those who financed our campaigns than to average Americans? Many of them sense that Congress no longer belongs to the people. We are witnessing a growing sense of powerlessness, a corrosive cynicism. The reasons for this cynicism and disconnect are clear. More than anything, Mr. President, they are the exorbitant cost of campaigns and the power of special interest money in politics—the special interest money used to campaign for elective office. Special interest money is moving and dictating and governing the process of American politics, and most Americans understand that.

An NBC/Wall Street Journal poll finds that by a margin of 77 percent to 18 percent the public wants campaign finance reform, because ''there is too much money being spent on political campaigns, which leads to excessive influence by special interests and wealthy individuals at the expense of average people.'' Last spring a New York Times poll found that an astonishing 91 percent favor a fundamental

transformation of the existing system. The evidence of public discontent could not be more compelling.

In the 1996 Presidential and Congressional elections we witnessed an appalling no-holds-barred pursuit of stunning amounts of money by both parties and their candidates. And I must admit that in my own re-election campaign, despite an agreement between my opponent and me to limit expenditures, the amounts raised and spent were staggering.

The American people believe—with considerable justification—that the scores of millions of dollars flowing from the well-to-do and from special interest organizations are not donated out of disinterested patriotism, admiration for the candidates, or support for our electoral system. They have seen repeatedly that public policy decisions made by the Congress and the Executive Branch appear to be influenced by those who make the contributions.

Who can blame them, Mr. President, for believing either that those contributions directly affect the decision-making process, or, at the least, purchase the kind of access for large donors that enables them to make their case in ways ordinary Americans seldom can?

It is no surprise that those who profit from the current system—special interests who know how to play the game and politicians who know how to game the system—continue to try to block genuine reform. If we want to regain the respect and confidence of the American people, if we want to reconnect people to their democracy, we must get special interest money out of politics. That process begins here with the bill before us.

One reason the results of the Governmental Affairs Committee's work may have less impact than it should is the perhaps unavoidable need of each party to highlight the sins of the other. But I am not interested today in assigning blame, Mr. President. As our distinguished colleague, the ranking minority Member of the Committee, Senator GLENN has said, ''There is wrong on both sides.'' Indeed, the minority draft, again as reported by Congressional Quarterly, says the investigation showed that:

> Both parties have become slaves to the raising of soft money. Both parties have been lax in screening out illegal and improper contributions. Both parties have openly sold access for contributions.

Mr. President, the creative minds of campaign managers and candidates alike have found ways to undermine every reform over the years. To attack the problem by a piecemeal approach will not work. One man who knew all about abuse of the campaign finance system, Richard Nixon, once said that campaign finance reform cannot work if it ''plugs only one hole in a sieve.''

Thanks to a unanimous consent agreement last fall, we are here today, finally, to have the first real debate and meaningful action in this Congress on a proposal for campaign finance reform advanced by my good friends, Senators JOHN MCCAIN of Arizona and RUSSELL FEINGOLD of Wisconsin. I supported their original bill, because it assembled a package of meaningful reforms that seemed to Bridge the party divide that has too often poisoned this debate and prevented any real change. And, although its scope is now reduced, I continue to support this version of the bill, because it does move us forward. Throughout my years in this body my goal has been the same as JOHN MCCAIN's and RUSS FEINGOLD's: to get special interest money and special interest access out of politics.

As we begin this debate, most of the pundits tell us that true reform again has no chance. My friend, the junior Senator from Kentucky (Mr. MCCONNELL) has assured us all repeatedly that McCain-Feingold is dead. Yesterday, however, The Washington Post, said that ''the success of this venture depends on the stubbornness of the advocates.'' I am proud to count myself among this group which is determined to see that real reform begins now. And that means continuing to work in the coming days with all those on both sides of the aisle with the fortitude to keep reform alive.

In a recent speech, Bill Moyers quoted a distinguished Republican, former Senator Barry Goldwater, who said some ten years ago that the Founding Fathers knew that ''liberty depended on honest elections,'' and that ''corruption destroyed the prime requisite of constitutional liberty, an independent legislature free from any influence other than that of the people.'' The Senator continued:

> To be successful, representative government assumes that elections will be controlled by the citizenry at large, not by those who give the most money. Electors must believe their vote counts. Elected officials must owe their allegiance to the people, not to their own wealth or to the wealth of interest groups who speak only for the selfish fringes of the whole community.

Those who join JOHN MCCAIN and his hardy band could do no better than to follow Barry Goldwater's advice today.

Today's version of McCain/Feingold still correctly identifies a number of glaring deficiencies in the current campaign finance system and seeks to remedy them. This bill should pass, Mr. President. The American people want these reforms.

Mr. President, because it so fascinates those on the other side of this issue, I'd like to take a moment to explain briefly why the so-called First Amendment objections to a soft money ban do not hold water. Simply put, as a distinguished group of 124 law professors from across the country has pointed out, there is nothing in Buckley v. Valeo that even suggests a problem in restricting, or even banning, soft money contributions. Last September, those distinguished constitutional scholars, led by New York University Law School Professors Ronald Dworkin and Burt Neuborne, joined in a letter to the sponsors of this amendment.

We need to remember that this 1976 Supreme Court decision expressly reaffirmed the right to ban all hard money, corporate and union political contributions in federal elections, stating that Congress had a basis for finding a ''primary governmental interest in the prevention of actual corruption or the appearance of corruption in the political process.'' And the Court recognized the potential for corruption inherent in the large campaign contributions that corporations and labor organizations could generate.

These esteemed scholars point out that the most vital statement of the Supreme Court came in 1990, in Austin vs. Michigan Chamber of Commerce. The scholars tell us, and I quote,

> the Court found that corporations can be walled off from the electoral process by forbidding both contributions and independent expenditures from general corporate treasuries. Surely the law can not be that Congress has the power to prevent corporations from giving money directly to a candidate, or from expending money on behalf of a candidate, but lacks the power to prevent them from pouring unlimited funds into a candidate's political party in order to buy preferred access to him after the election.

Accordingly, these professors continue—and again, I am quoting—''closing the loophole for soft money contributions is in line with the long-standing and constitutional ban on corporate and union contributions in federal elections and with limits on the size of individual's contributions that are not corrupting.''

There have also been a number of references in this debate to the 1996 Supreme Court case of Colorado Republican Federal Campaign Committee vs. FEC. These same scholars have said that

> any suggestion that [the Colorado Republican case] cast doubt on the constitutionality of a soft money ban is flatly wrong. [The Colorado Republican case] did not address the constitutionality of banning soft money contributions, but rather expenditures by political parties of hard money, that is, money raised in accordance with FECA's limits. Indeed, the Court noted that it ''could understand how Congress, were it to conclude that the potential for evasion of the individual contribution limits was a serious matter, might decide to change the statute's limitations on contributions to political parties.''

Mr. President, I suggest to you that these definitive findings on the First Amendment issue have settled the argument. We can now move forward to a healthy and productive debate within the boundaries our Constitution sets before us.

I will acknowledge that, in my judgment, this amendment does not go far enough. Its useful reforms are by no means all we need. That is why, Mr. President, I, along with Senators WELLSTONE, GLENN, BIDEN and LEAHY, introduced S. 918, the ''Clean Money, Clean Elections Act'' last June.

Like the bill before us, S. 918 also bans soft money and takes steps—stronger steps than we can take today—truly to rein in those phony issue ads that are only thinly veiled,

election-oriented advocacy ads, many of which are purely negative attacks. It would also strengthen the Federal Election Commission, reduce the costs of campaigning in many ways, such as by requiring free air time for candidates—and it would effectively reduce the length of campaigns. Our bill contains nearly all the other solid reforms included in the original McCain-Feingold bill.

But fundamentally, the Clean Money bill creates a totally new, voluntary, alternative campaign finance system that removes virtually all private money—and all large private contributions—from federal election campaigns for those who choose to participate.

Let me briefly summarize our proposal: Any Senate candidate who demonstrates sufficient citizen support by collecting a set number of $5 qualifying contributions from voters in his or her state is eligible for a fixed amount of campaign funding from a Senate ''Clean Election Fund.'' To receive public funds, a Clean Money candidate must forego all private contributions (including self-financing) except for a small amount of ''seed money'' (to be used to secure the qualifying contributions raised in amounts of $100 or less), and he or she must limit campaign spending to the allotted amount of ''clean money'' funds. Additional matching funds, up to a certain limit, will be provided if a participating candidate is outspent by a private money candidate or is the target of independent expenditures.

''By placing a premium on organizing rather than fundraising,'' as Ellen Miller of Public Campaign has pointed out, Clean Money Campaign Reform shifts ''the priorities of electoral work back toward those that ought to matter most in a representative democracy: issue development and advocacy, canvassing, and get-out-the-vote drives.''

And most important, once elected, Clean Money office holders are free to spend full-time on the jobs they were elected to do. The days of dialing for dollars would truly be over.

This reform effort began in the State of Maine where in November 1996, a statewide Clean Money, Clean Elections initiative passed by a margin of 56 to 44 percent. Last June Vermont's state legislature adopted a similar measure by a two-thirds margin in the Senate and by better than six to one in the House. Other efforts are underway across the nation. In my home State of Massachusetts, 2,000 volunteers collected 100,000 signatures for a Clean Money initiative—well over the number needed to place it on the ballot this fall. In thirteen other states, from JOHN MCCAIN's Arizona to Connecticut, from Georgia to Oregon, coalitions of effective grassroots advocates are all working hard for Clean Money reform.

I believe the day is coming, Mr. President, when the Congress will have no choice but to approve this fundamentally simple reform. It will finally put an end to the senseless money chase and totally eliminate the influence of private money in our campaigns—and thereby let the people buy back their politicians.

That day is not yet here. I am a realist. Although the grassroots work in the vineyards of state legislatures and state initiative campaigns is on the march, we are not close enough to reach that goal in this chamber today. But today we can make a down payment on the debt we owe the people who sent us here by supporting McCain-Feingold. I support it without reservation.

I congratulate and thank both sponsors of this bill for their efforts in putting together this bill and fighting for it. It is good legislation. It is needed legislation. It heads us in the right direction.

I commend Senator FEINGOLD for his hard work, his determined bipartisanship, and his commitment to making our political process a cleaner, better and more democratic system. The junior Senator from Wisconsin, who joined this body after a race in which he was outspent three to one, has worked tirelessly to make real progress possible.

And I especially commend the work of Senator MCCAIN. All of us understand the stamina it takes to assume a mission of this kind, and to stick with one's convictions despite opposition from friends. JOHN MCCAIN has always excelled as a patriot, and with this legislation, he has done so again. He courageously pursues a just cause. I am proud, once again, to stand with JOHN MCCAIN and support his amendment.

Mr. President, one reason the naysayers are again predicting defeat for reform is their reliance on smokescreens like the so-called ''paycheck protection'' proposal that is clearly designed as a poison pill to sink this reform. We cannot let that effort deter us. Nor can we ignore the plain fact that it is being pressed by the big business lobbyists whom my friend RUSS FEINGOLD has called ''the Washington Gatekeepers,'' the ones who in many cases decide who get the largest contributions. These folks, as the Senator points out, are the ones ''who transfer the money to the politicians and produce the legislative votes that go with it.''

The American people must not—and I believe they will not—be fooled by these attempts at sabotage. This is not a complex issue. All of us face a stark, but simple choice—a choice between the disgraceful status quo and an important step forward. Despite the efforts to muddy the waters, we can and should prevail—especially if all those hearing and reading about this debate will let their voices be heard now by contacting their own Senators.

Mr. President, I want to strongly emphasize one point—the single most important point today, in fact the only important point today—as we approach this vote on this amendment. Do not be deceived by this complicated explanation or that complex rationale. Do not be misled by diversions and red herrings. Understand this vote for what it is. This is the most important vote the 105th Congress will have cast to date on campaign finance.

It is, in essence, stunningly simple. Because this vote will show which Senators are for real campaign finance reform and which Senators are against real campaign finance reform.

There is no place to run, and no place to hide. If a Senator is for real campaign finance reform—for reducing the influence of special interest money on the key decisions of our democracy—he or she will vote for the McCain-Feingold amendment. If a Senator votes against this amendment, no one will need further evidence that, despite all the lofty rhetoric about constitutionality, about freedom of speech, about personal rights, and all the rest, that Senator is not committed to real campaign finance reform. If McCain-Feingold prevails on this vote, the effort goes on. If the opponents of reform defeat this amendment, they have prevailed for the 105th Congress.

Perhaps yesterday's New York Times said it best:

> It is too early to predict how this fight will turn out. But when it ends, Americans will know where each Senator stands on protecting his or her own integrity and the integrity of government decision-making from money delivered with the intention to corrupt.

I urge all my colleagues to support the McCain-Feingold amendment.

Mr. President, this is without any question the most important vote we will have had in this Congress and no one should mistake that this vote is about the First Amendment or that this vote is about one genuine alternative versus another. It is really a choice between those who want to keep campaign finance reform alive, those who really want to vote for campaign finance reform, and those who don't.

Every conversation on the Hill reflects that. There are countless quotes that have appeared from individuals on the other side of the aisle in the House or Senate, talking to their colleagues about how this is really a vote about institutional power and the capacity to stay in power and be elected. The simple reality is that all Americans are coming to understand is that Republicans have a stronger finance base, they have raised more money, more easily, they pour more money into campaigns, and money is what is deciding who represents people in the United States of America.

Last year, the House and Senate candidates spent $765 million, a 76 percent increase over 1990 and a sixfold increase from 1976. We have seen voting in America go down from 63 percent in 1960 to 49 percent in the last election because increasingly Americans are separated from a Government that they know is controlled by the money.

The fact is that in the Commonwealth of Massachusetts where I ran for re-election last year I spent $12 million to run for the U.S. Senate. I had

never spent more than $2.5 or $3 million on media alone in a previous race. That is a measure of the escalating costs of campaigning under the system in place today.

In a recent speech, Bill Moyers quoted Barry Goldwater, a leader of the conservative movement in this country, who reminded us 10 years ago that the Founding Fathers knew that ''liberty depended on honest elections'' and that ''corruption destroyed the prime requisite of constitutional liberty, an independent legislature free from any influence other than that of the people'' to be successful.

Senator Goldwater also said ''. . . Representative government assumes that elections will be controlled by the citizenry at large, not by those who give the most money. Electors must believe their vote counts. Elected officials must owe their allegiance to the people, not to their own wealth or to the wealth of interest groups who speak only for the selfish fringes of the whole community.''

So that is what this vote is about today.

Mr. President, to those who hide behind the First Amendment, let me make it clear that there is nothing in the First Amendment that prohibits a ban on soft money or prohibits what we seek to do in this legislation.

Simply put, a very distinguished group of 124 law professors from across the country has pointed out that there is nothing in the 1976 Supreme Court decision of Buckley v. Valeo that even suggests a problem in restricting or banning soft money contributions. Last September, those distinguished constitutional scholars sent a letter to the sponsors of this amendment and they said we need to remember that the Buckley decision expressly reaffirmed the right to ban all hard money, corporate and union political contributions in Federal elections. And it stated that Congress specifically has a basis for finding a ''primary governmental interest in the prevention of actual corruption or the appearance of corruption in the political process.'' More than twenty years ago, Mr. President, the High Court recognized the potential for corruption inherent in the large campaign contributions that corporations and labor organizations could generate.

In the more recent 1990 Supreme Court case of Austin v. Michigan Chamber of Commerce, these scholars pointed out, ''the Court found that corporations can be walled off from the electoral process by forbidding both contributions and independent expenditures from general corporate treasuries.''

Mr. President, it is clear not only in that language, but in the language of Colorado Republican Federal Campaign Committee v. FEC—which the other side often tries to cite to the contrary—there is a certainly a legitimate basis for banning soft money consistent with the other restraints that the Court has already found permissible with respect to hard money. The Supreme Court said there that it could indeed understand how Congress might ''conclude that the potential for evasion of the individual contribution limits was a serious matter,'' and might indeed ''decide to change the statute's limitations on contributions to political parties.'' And it's absolutely inconsistent that we should be allowed to set limits on campaign contributions, which we are allowed to—that we are allowed to have Federal limits on the total amount of contributions somebody can make—$25,000—and not be able to restrict in the context of soft money, the same kinds of contributions.

So, Mr. President, this is about power and money. And most people in America understand precisely what is going on here. Our colleagues have an opportunity to vote for reform, and I hope they will embrace that today. If they don't, it will be clear who stands in the way of that reform.

The PRESIDING OFFICER. Who yields time?

Mr. MCCONNELL. Mr. President, I yield 10 minutes to the distinguished Senator from Alabama.

Mr. SESSIONS. Mr. President, this has been a great debate. I think about the abilities of those of us in this body to participate in unlimited debate, and I think it is a great thing. Great and free debate is a characteristic of American society. Unfortunately, people use the freedom and the money they raise sometimes to run negative ads. I certainly see nothing in McCain-Feingold that would stop that kind of activity from happening. But this is an important vote. As a matter of fact, I consider it a very fundamental and crucial vote for America.

In my 1996 campaign, just over a year ago, in the primary, I faced seven Republican candidates. Two of them were multimillionaires, and two of those individuals spent $1 million-plus out of their own pockets to further their dream of being elected to this great body. They used most of it to attack me. I was attorney general, I was leading in the polls, and I took most of the brunt of that. Two other individuals in that race raised or spent themselves over a half-million dollars to attempt to put their message out to the Alabama people. I spent approximately a million dollars during that primary. I was outspent $5 million to $1 million in that primary. And then in the general election, there was also a very vigorous and contested general election. My opponent spent approximately $3 million, as I recall, in that race.

One of the key parts of that race and one of the things that was most interesting and painful to me was that I was attacked and received a volume of attack ads from money that really was raised by the Alabama Trial Lawyers Association. You see, in Alabama, there is a contested, bitter fight over the attempt by many in the Alabama legislature to reduce the aberrationally high verdicts in plaintiff litigation in the State. It embarrassed the State and there was a bitter fight over it.

The Trial Lawyers Association, which wanted to continue to file those lawsuits and receive those big verdicts opposed that legislation. It was bitterly fought over. Tort reform passed the house of representatives twice but twice it failed in the Alabama State Senate. My opponent was the chairman of the senate judiciary committee, where most of those bills died. He was also, himself personally, a plaintiff trial lawyer. He had a plaintiff trial lawyer lawsuit filed during the election. He was suing somebody for fraud during the election. That was an important issue. It was an issue that the people of Alabama needed to discuss and know about. The Trial Lawyers Association raised, I guess, what you would call ''soft money'' in the amount of around a million dollars to express their views and to oppose me because I took a different view.

Earlier today, I saw somebody with a chart that had an ad similar to the ad that was run against me. It complained about an attorney general—obviously, in a different State—and it said, ''if you don't like what he did, call his office and complain.'' This was their attempt to get around some of the campaign expenditure rules and laws that existed in our country. We faced those ads and were frustrated by them.

When I came here to this body, I was prepared to consider what we could do to fix that situation. Frankly, I was not happy with having such a sum of money being raised and used against me in my campaign. I have given it a lot of thought. I talked to the manager, the distinguished Senator from Kentucky, Senator MCCONNELL, and others. I have done some research. I have considered the Constitution and what I believe is fair and just and consistent with the great American democracy of which we are a part. Based on that, I have concluded that we must fundamentally recognize the primacy of the first amendment, which provides to all Americans the right of free speech. That includes the right to spend money to project your views, as the Supreme Court has said. To limit that is a historic event and an unhealthy event, in my opinion.

They say, ''Jeff, we are not trying to limit people's free speech; we just want to limit your speech during a campaign, just during an election cycle.'' When do people want to speak out most if it is not during a campaign? Isn't it then that people are most focused on the issues and have the greatest opportunity to change the direction of their country? Isn't that when they want to speak out? It certainly is. If you want to limit free speech, I say to you that the last place you want to limit it, is during a campaign cycle. That would be terribly disruptive of freedom in America.

Now, they say, ''Well, it really doesn't interfere with the first amendment.'' But I was on this floor, Mr. President, early last year—in March of last year, as I recall—when the Democratic leader and other Members of this body proposed—and people have forgotten this—a constitutional amendment to amend the first amendment to the U.S. Constitution, to justify their attempt to control free debate in America during an election cycle. It was an attempt to reduce the expenditures during that election cycle and give this Congress, incumbent politicians, the right to restrict their opponents' ability to campaign against them. I thought that was a thunderous event.

I said at the time that I considered that a retreat from the principles of the great democracy of which we are a part—as a matter of fact, the largest retreat in my lifetime, maybe the largest retreat in the history of this country. And, amazingly, 38 Senators voted for it. You have to have two-thirds, and that was not nearly enough to pass this body. But I was astounded that we would have that. But at least those people who favored the amending of the first amendment were honest about it. They knew what they were attempting to do with election campaign finance reform, and that is to affect the ability of people to raise money to articulate their views during an election cycle and that a constitutional change was needed to effect such a change.

So, Mr. President, I have a lot of issues that could be discussed here. I am not going to go into any others. I simply say that I believe this is a historic vote. I think it does, in fact, reflect our contemporary view of the importance of the right of free speech. We have had the American Civil Liberties Union and other free speech groups opposing McCain-Feingold because they are principled in that regard. But others who have, in the past, been champions of free speech curiously are now attempting to pass this legislation, which I think would restrict the ability of Americans to speak out aggressively and criticize incumbent officeholders and attempt to remove them from office and express their views in a way they feel is important.

So, Mr. President, those are my thoughts on the matter. I will be opposing this legislation. As to the question of union contributions, dues being used against the will of the members, against their own views on political issues, I think that is something we could legislate on. Somebody said such a change would be a ''poison pill'' for campaign finance reform. Well, it is a poison pill to me. I am not going to support any campaign reform that is going to allow somebody's money to be taken and spent on political issues they may oppose.

Mr. MCCONNELL. Mr. President, I thank the Senator from Alabama for his important contribution. It seems to me that it shows real principle. When you have been through a campaign and you have had independent expenditures or issue advocacy—either one—used against you and you didn't like it, but you fully recognize that it is constitutionally protected speech, that is commendable. So I thank the Senator from Alabama for his important contribution to this debate.

Mr. FEINGOLD. Mr. President, I yield 5 minutes to the senior Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank my colleague from Wisconsin. Mr. President, I think the previous speakers have demonstrated—speaking of the Senator from Alabama—that this debate is more than just about money. It really is about our core values and what kind of people we are in this country.

The argument made on this floor that money is equal to speech is to suggest then that the poor can't speak as loudly as the rich. The reality check is that money magnifies speech, particularly in these times when money can buy technology and access to the mass media in ways that were not available, of course, when the Constitution was written. To suggest that money is equal to speech is the same thing as saying that the rich and the poor have equal rights to sleep under bridges. We have heard that analogy before. We know that is abject nonsense. So it is, in my opinion, abject nonsense to suggest that in a context in which money buys elections the poor have the same rights as the rich. That does not comport with reality.

The reality check is—and the people know that to be the case; they know that right now—money plays such a role as to buy elections and that elections dictate the direction of our democracy. And so this debate really is about a crisis of inestimable proportion going to the core of what kind of democracy we are going to enjoy in this country.

I am very pleased that the Senate is again turning its attention to S. 25. It is certainly not a perfect bill. It does not solve all of the problems created by the current state of the law. However, it at least brings us a little bit closer to the sort of comprehensive campaign finance reform that I believe we all desperately need. We have, in my opinion, a responsibility to restore the faith of the American people in the political process that our democracy is as equally open to the poor as it is to the wealthy, that every citizen has the same and equal right to participate in the process of elections and, therefore, the same and equal rights to dictate the direction of our Government.

At the present time, too many people feel removed from the decisions that affect them in their lives. Many do not believe they are capable of influencing their Government's policies. A League of Women Voters' study found that one of the top three reasons that people fail to vote is the belief that their vote will not make a difference. We saw an expression of the cynicism during the 1994 elections when just 38 percent of all registered voters cast their ballots. We saw it again in 1996 when only 49 percent of the voting age population turned out to vote—the lowest proportion in some 72 years.

I have noticed in my own State of Illinois a falloff in voter participation and turnout. In 1992, Mr. President, I won my election for the Senate with 2.6 million votes, which represented 53 percent of the total vote. By 1996, when Senator DURBIN ran, he won with 2.3 million votes, which was 55 percent of the total votes. Senator DURBIN, in other words, won by a greater margin but with fewer votes cast. And if our citizens continue to participate in the electoral process in fewer and fewer numbers, the United States runs the risk of jeopardizing its standing as the greatest democracy on Earth.

Now, campaign finance is diminishing our democracy. Consider for a moment the fact that 59 percent of the respondents in the Gallup/USA Today poll agreed with the statement ''Elections are for sale to whoever can raise the most money'' while only 37 percent agreed with the statement ''Elections are won on the basis of who's the best candidate.'' What is causing this perception? The people are aware that we are spending more on congressional campaigns than we ever have before. The Federal Election Commission has reported that congressional candidates spent a record-setting total of $765.3 million in the 1996 elections. That represents an incredible 71 percent increase over the 1990 level of $446.3 million. And those numbers do not even take into account the massive expenditures of ''soft money'' by political parties on behalf of House and Senate candidates.

The average winning campaign for the House cost over $673,000 in 1996. That's a 30 percent increase over 1994, when the average House seat cost its occupant $516,000. In 1996, 94 candidates for the House spent more than a million dollars to get elected. Winning Senate candidates spent an average of $4.7 million in 1996. In that year, 92 percent of House races and 88 percent of Senate races were won by the candidate who spent the most money. Forty-three of the 53 open-seat House races and 12 of the 14 open-seat Senate races were won by the candidate who spent the most money.

One of the major factors responsible for these huge costs increases in the avalanche of negative advertising that has muddied the political landscape in recent years. Political figures have come to rightly expect that they will be attacked from every imaginable angle come election time and are raising more and more money to fend off charges that often have nothing to do with the people's business. Moreover, politics has become so vicious and negative over the last few years that able public officials are leaving public service and potentially outstanding candidates are choosing not to run at all.

These individuals know that politicians today have to spend a large portion of their time raising money, and that is simply not an attractive job description for many people capable of making outstanding contributions to our government. For example, in explaining his retirement from government service, former Senator Paul Simon, one of the most able individuals ever to sit in this chamber, cited fundraising responsibilities as a burden that he no longer wished to bear.

All of the problems associated with the immense role that money plays in the electoral system have been exacerbated in recent years by an increase in the number of wealthy candidates contributing outlandish sums to their own campaigns. In 1994, for example, one candidate for the Senate spent a record $29 million, 94 percent of which was his own money. During the 1996 election cycle, candidates for federal office contributed $161 million to their own campaigns. One presidential candidate helped finance his campaign with $37.4 million of his own money. Fifty-four Senate candidates and 91 House candidates put $100,000 or more of their own money into their campaigns, either through contributions or loans. It is true that in 1996 only 19 of those candidates won their elections, but the fact remains that the current system allows such candidates to drive up the costs of campaigns and make it more difficult for average citizens to contend for political office. If we allow this trend to continue, it won't be long before only the wealthiest Americans will be able to fully participate in the political process.

The time has come to reduce the role that money plays in our electoral system. Besides providing elected officials with more time to tend to the people's business, doing so will result in fewer negative ads, for if a candidate has less money to spend or faces a spending limit, he or she will have to be more careful about how expenditures are made. The capacity to run fewer ads would help ensure that candidates focus on establishing a connection with the voters by using television and radio time to discuss their stands on the issues, instead of running negative ads.

S. 25 and an amendment to the bill that I understand its distinguished authors plan to introduce takes significant steps in the right direction. The bill would ban ''soft money'' contributions to national political parties and would bar political parties from making ''coordinated expenditures'' on behalf of Senate candidates who do not agree to limit their personal spending to $50,000 per election. The proposed amendment would create a voluntary system to provide Senate candidates with a 50 percent discount on television costs if they agree to raise a majority of their campaign funds from their home states, to accept no more than 25 percent of their campaign funds in aggregate PAC contributions, and to limit their personal spending to $50,000 per election.

Ideally, S. 25 would place an absolute limit on the ability of candidates to fund their own campaigns. In Buckley v. Valeo, the Supreme Court ruled that limitations on candidate expenditures from personal funds place direct and substantial restrictions on their ability to exercise their First Amendment rights. It may be time to revisit the Buckley decision by passing legislation tailored closely around what the Court said. Putting the issue back in front of the Court would give it the opportunity to clarify how the position it took in 1976 is supposed to govern campaign finance law in the very different era in which we now live.

In Buckley, the Court struck down a provision of the 1971 Federal Election Campaign Act that barred presidential candidates from spending more than $50,000 out of personal resources. As three distinguished law professors at the University of Chicago have stated, it is possible that, with a *new set of legislative findings*, the Court might uphold a statute that imposed significantly more generous limits. . . [T]he Court might find that with a much more generous (though not unlimited) opportunity for candidates to spend their own money, the infringement of individual freedom is less severe—perhaps not ''substantial,'' in the Court's language.

One argument for such a provision is that an important element of the democratic process is requiring that candidates demonstrate support from a broad range of individuals. Legislation of this type would be similar in intent to laws requiring candidates to obtain a minimum number of petition signatures in order to secure a place on the ballot. Such legislation would arguably be consistent with Buckley, for in that case the Court recognized that the government has ''important interests in limiting places on the ballot to those candidates who demonstrate substantial popular support.'' Given the crucial role that money plays in today's elections, it is not unreasonable to ask the Court to extend its interpretation of what constitutes ''substantial popular support'' into the realm of campaign financing.

The most effective approach to comprehensive campaign finance reform would be legislation establishing overall campaign spending limits. If the Supreme Court's decision in Buckley is regarded as prohibiting the enactment of mandatory caps on overall campaign spending, then we should at least create a system that offers candidates cost-reducing benefits in exchange for their voluntary compliance with such caps. The Court has made clear that such a voluntary system would be constitutional. Overall spending limits would not only open up our system to greater competition, they would help to shift the focus of elections from advertising to issues. Until we cap runaway campaign spending, we will only be working at the margins of a problem that is turning our electoral system—one of the pillars of our cherished democracy—into a grotesque circus of saturation (and frequently negative) advertising and round-the-clock fundraising.

S. 25 may not effect the type of far-reaching reforms that I would like to see, but I strongly approve of its goals and spirit. The time has come for us to send a signal that we share our fellow citizens' concerns regarding the enormous role that money has come to play in our political system. Passing S. 25 would send that signal and would place us on the road toward creating a system in which the people's priorities would be our own. I therefore urge my colleagues to support the bill.

I commend my colleagues, the Senator from Wisconsin and the Senator from Arizona, for their perseverance in this important area and say to the Senator from Wisconsin and the Senator from Arizona, this may be one stage in the battle. But it seems to me that we have an absolute responsibility to cure this corrupt system. And it is a corrupt system. It is full of mousetraps. It favors people who are wealthy over people who are working class, ordinary citizens, and it is having a diminishing effect on our democracy and the people's faith in it.

I yield the floor.

Mr. FEINGOLD. I yield 5 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, for the last 5 years we have been debating the issue of campaign finance reform and for the last 5 years we have failed to fix the system that most Americans agree is broken. I have voted for campaign reform legislation several times now, and each time it has been killed off by filibuster. Today we are once again presented with the opportunity to do what is right and stop the rising tide of special interest money that is drowning the democratic process.

We last debated the McCain-Feingold campaign finance reform bill in October. Since that time the bipartisan group of Senators committed to reform has continued to work together to build a coalition and to craft a measure that is fair and offers meaningful change. I have been proud to support that effort.

Changing the status quo has been an uphill battle. The opponents of reform cleverly disguise their argument. They wrap themselves in the flag and posture as protectors of ''free speech.'' They make complicated and convoluted arguments about ''threats to the Constitution.'' but here's what they are really saying: *if you have more money, you are entitled to more influence over campaigns and elections.* People out there find this argument to be a cynical charade and it's time to stop playing games.

The opponents of reform are just not listening. The American people have been calling for reform for years, and now the call is louder than ever.

Eighty-nine percent of the American people believe fundamental changes are needed in the way campaigns are funded. We were elected to represent the American people. We cannot continue to ignore their wishes.

The campaign system is clogged with money, and there is no room left for the average voter. The last time we debated reform, I told a story of a woman who sent my campaign a small contribution of fifteen dollars. With her check she enclosed a note that said, ''please make sure my voice means as much as those who give thousands.'' With all due respect, this woman is typical of the people who deserve our best representation. Sadly, under the current campaign system, they rarely do.

In 1996, $2.4 billion was raised by parties and candidates. Let me say that again: $2.4 billion flowed into campaigns all across the country and dictated the terms of our elections. And as if that weren't enough, hundreds of millions more were spent on so-called ''issue advocacy''. Nobody knows exactly how much more because these ads, even though they are political, are unregulated.

Currently there is no disclosure requirement for these expenditures, there is no ban on corporate or union money, and there is no limit on how much can be spent. ''Issue ads'' frequently take the form of negative attacks made against candidates by groups that no one has ever heard of. Because of the current weak laws, the American people don't know who are making these charges, what their agenda is and who is paying for it. The bill we are considering today would change that by strengthening the definition of political advertising to include these sorts of expenditures. We need more accountability, not less.

My first Senate campaign was a grassroots effort. I was out spent nearly three-to-one by a congressional incumbent. But because I had a strong, people-based effort, I was able to win. I am proud of the contributions I have received for my campaign.

And I am willing to put my money where my mouth is. I hope to offer an amendment to implement full disclosure of campaign contributions. Under current law, the names and addresses of contributors who give more than $50 at a time or $200 in aggregate must be disclosed. My amendment would drop those numbers down to zero. Under my amendment *every* contribution to a PAC or a campaign must be disclosed.

Having full disclosure for campaign contributions is like listing the nutritional facts on a candy bar: the public deserves to know what it's made of.

But I also want to make a pledge. Whether or not my amendment passes, I still intend to tell my constituents everything about who is contributing to my campaign. I will make full disclosure of all my contributions, no matter how big or how small. This is my commitment, this is my pledge. I challenge all of my colleagues to do the same.

Mr. President, the opponents of reform miss the point. In America, money does not equal speech. More money does not entitle one to more speech. The powerful are not entitled to a greater voice in politics than average people. In America, everyone has an equal say in our Government. That is why our Declaration of Independence starts with, ''We, the people.''

Mr. President, I believe we have made this debate way too complicated. This issue boils down to one basic question: Are you for reform, or against is? Are you with the people, or against them on the need for a more healthy democracy? The votes we are taking today will show the answers to these questions.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MCCONNELL. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Kentucky has 27 minutes remaining.

Mr. MCCONNELL. I yield 10 minutes to the distinguished Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. SMITH of Oregon. Mr. President, I thank Senator MCCONNELL for his leadership on this issue. I also thank Senator FEINGOLD and Senator MCCAIN.

I would like to point out to the American people, this is not a debate between good people and bad people. I note, however, that many who are for this bill have stated that those who are against it are hiding behind the first amendment. I don't propose to hide behind it. I propose to stand up today and defend it. Let me read to you, for the RECORD, what the first amendment to the Constitution says:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

We are talking about the whole second half of this amendment, about how people petition Government for the redress of grievances, how they speak about Government. It is amazing to me that some of those who are for this bill point out how money is buying offices. My friend, the Senator from Washington, pointed out how she was outspent 3 to 1, but she is here! I notice Senator FEINSTEIN is here. She had an opponent who spent, I think, nearly $30 million of his own money! I do not yet know of a President Ross Perot, though he's one of the biggest advocates of this and spent millions of his own trying to make his case.

The point is, this is a legitimate issue for the people to decide. Then the attack is made on soft money, and PACs have become a very bad word. Do people remember that PACs were created as an outgrowth of Watergate, to clean up campaign finance? This is a product of Watergate. If you break down what it is a PAC is—some of them I don't really like because they stand for things I don't like. But some of them I do like; for example, the National Right to Life PAC. They talk about wealthy people? I look at that organization and I see humble folks who are defending a principle that is sacred to them. These are not wealthy people, but they are enjoying their right to speak.

I want to make one other candid admission to the American people. Republicans spend an awful lot of time attacking the Democrat use of union money, compulsory union dues that are used in attacks on Republicans. We attack their major asset. The Democrats attack the Republicans' major asset, which is in some cases the use of PACs, or soft money. Any campaign finance reform that does not include both of these elements will disserve the American people and I will not vote for those things, because at the end of the day what will happen to America is what happened to Oregon in a recent election cycle.

We had a well-meaning public interest group that, through our initiative system, instituted a campaign finance law not unlike McCain-Feingold. It applied to State candidates. Let me tell you what happened. Contributions to candidates directly, were severely restricted and, in a nutshell, candidates could not raise enough money to communicate with the people whose attention they were trying to get. But the money wasn't taken out of politics; it simply left direct democracy, which is disclosable to the public, and it went back into the smoke-filled rooms. Then various groups colluded and figured out how they could influence elections, not with a candidate, but about a candidate. And they did it with the luxury of knowing that they were not accountable to the American people, they could not be held accountable, so they could say or do anything they wanted.

So what we went through in Oregon, before our State supreme court declared it all a violation of the first amendment, was a cycle whereby candidates, were terribly frustrated, and so were our citizens. In the end, I have to say, what we should be encouraging is not a return to the smoke-filled rooms; we should be encouraging people to contribute directly to candidates and to fully disclose it.

I have to say that I have experienced this also on a personal level; I have run for the U.S. Senate twice. The first time I ran, I put a lot of my own money into the race. And, folks, I didn't win. And then I ran again, and I did win, and I won with the contributions of perhaps more individual contributions than have ever been raised by an Oregon candidate for Federal office in our history. So you cannot buy elections.

During my first election I had one conservative PAC director tell me that

during January of 1996 it was the best time he could remember in Washington because there were no liberals here. They were all in Oregon, beating the stuffings out of me. They said horrible things about me. I didn't like it. It wasn't fun. But you know what, I am standing here today defending their right to say it. But don't tie my hands and say I can't respond to it, because you, the people of this country, will then be the ones disserved by all of this.

So, if you really have concluded that we have too much political speech in this country, insist that this Chamber disenfranchise soft money and unions, and then you are talking about something. But before you do that, ask yourself the question, do we talk too much about politics in this country? Is it a bad thing that we are doing? I believe the answer to that is no. And if you want the proof of it, open up Newsweek or Time or U.S. News & World Report on any given day in any week and you will see the bodies of people in other countries in the gutters of their streets, because they have not learned how to fight with words and not with bullets.

So, let's be careful as we talk about amending the most important document that we have. Don't fall for the easy way out, that somehow we are not affecting speech. We are. I have seen it in Oregon and we will see it in this country if this passes in this form. So I stand today proudly, not to hide behind the first amendment but to defend it, and thank the leader for this time, and I urge my colleagues to vote against this amendment in its current form.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Kentucky.

Mr. MCCONNELL. I thank the Senator from Oregon for his extremely valuable contribution to this debate. He understands this issue very well and has experienced both the heartbreak of defeat and the exhilaration of victory. I certainly share his view that we do not suffer from too little political discussion in this country. We ought to be encouraging more of it, not less. I thank the Senator from Oregon.

The PRESIDING OFFICER. Who yields time? The Senator from Kentucky.

Mr. MCCONNELL. I yield 10 minutes to the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. SMITH of New Hampshire. Thank you, Mr. President.

Let me start by recognizing the amount of work and effort that Senator MCCONNELL, the Senator from Kentucky, has done on this issue. At a time early on, I can recall in this debate when it seemed like this thing may take off across America, and Senator MCCONNELL, even in the face of his own tough reelection, stood firm and led us, all of us in this body, on this issue. He is knowledgeable, to say the least, and has been a great leader not only leading us on this issue but, more important, leading the fight to protect and defend the first amendment to the Constitution of the United States.

I say with great respect for my friend—I know I embarrass him a little bit—this has been one of the major debates in this Congress since I have been here, with the possible exception perhaps of the Persian Gulf war in 1991, but this goes to the heart of the first amendment. And the Senator from Kentucky stood strong day after day, sometimes by himself, I remember, leading a filibuster. I remember being here at 5 o'clock in the morning, to the marching orders of my leader to be out here in a filibuster. The Senator was right, and history will prove that he was right. So there is a great debt of gratitude that I think—he may not realize it at the moment, but it will come his way.

I want to add a few remarks to the debate. Much has been said and there is not too much more to add. I was somewhat taken by some of the remarks of my colleagues on the other side about special interests. We hear a lot about that. I think you can pretty well come to the conclusion that if you don't like somebody's views, they are special interests. But if you do like their views, they are probably responsible policy advocates.

This is where the whole debate gets kinds of silly. There are a lot of people who have special interests. The Breast Cancer Institute is a special interest. Social Security recipients are special interests. But I don't get the impression that some of our folks over there would be labeling them special interests in the context of what has been defined.

There are many reasons why McCain-Feingold is the wrong approach, but I just want to focus on a couple and specifically title II.

Under title II of McCain-Feingold, it purports to draw a new bright line between issue ads and independent expenditures. As so many have said before, I had expenditures against me. I would have loved to have seen them off the air, but I had the opportunity to respond to them. As many have said before me, however close, I made it back because I did have the opportunity to respond, thanks to thousands of people who were there to help me with contributions so that I could respond.

Many citizen organizations have expressed strong opposition to these issue-advocacy provisions. The Christian Coalition, for example, in a letter dated January 28 of this year urged the Senate to defeat McCain-Feingold because ''this legislation essentially requires that if a citizen or group plans to advocate a position or report on votes candidates have cast, they must operate a PAC and comply with all the regulatory burdens that go with it. More Government control over what is said and how it is said is not what campaign finance reform should be about.''

They are correct in that assessment.

The National Right to Life Committee sent letters to Senators on February 17 of this year saying:

> Title II of McCain-Feingold would radically expand the definition of the key legal terms expenditure, contribution and coordination, so as to effectively ban citizen groups from engaging in many constitutionally protected issue advocacy activities.

Lest you think I am singling out groups that may be more inclined to be Republican, we can also take a letter dated February 19 from the American Civil Liberties Union—certainly one of the leading organizations, I would say, not exactly ideologically with the right—they characterize title II as ''a 2-month blackout on all radio and television advertising before primary and general elections.''

The ACLU continues by noting:

> Under McCain-Feingold, the only individuals and groups that will be able to characterize a candidate's record on radio and TV during the 60-day period would be the candidate, the PACs and the media.

That last point made by the ACLU is very interesting, Mr. President, because by limiting what issue groups can say during the 60 days before an election, McCain-Feingold would increase the power of the media, which may be the reason why they have been so silent in this debate.

We are picking and choosing what part of the first amendment we want to protect, and of all people, the media should understand that. I think they do understand it and they are being very silent. I was particularly taken by the Senator from California a few moments ago when she said more money by candidates who have access to more money is not fair. I think that is pretty much what she said. I think I characterized it correctly. It is not fair or it is not right to have people with more money or access to more money.

What about newspapers that have more money than other newspapers, is that fair? Should we restrict the New York Times and the Washington Post 60 days out so that they can be as fair as some small paper in Louisville, KY, or Wolfeboro, NH? Maybe we ought to even that out. There seems to be a lot of silence in regard to that. It is ironic that so much of the media supports these restrictions on free speech of political candidates and groups, and even more ironic is the silence. It is deafening.

I can just imagine the cry if the Government tried to restrict the freedom of the press or say how many words, as the Senator said this morning, that Dan Rather can speak. I hear him speak so much I get sick of it, but it is his right to speak, and I would certainly protect that right, as we are doing today with our votes on the Senate floor. I hope Mr. Rather is taking note that we are protecting his rights to speak. But I hope that they will speak to protect our rights and to protect the rights of others to participate

in the political process who don't have access to the national media to speak every day to the listeners. There are thousands of people out there, and they do it by contributing to a political campaign.

Beyond the very serious issues raised by the specific issue-advocacy provisions in title II of McCain-Feingold, I have a more general concern, and this is something, Mr. President, that I think has not really been stated firmly in this debate.

There is a premise, and I think it is an erroneous premise, and I say this to the Senator from Kentucky because I think this is something that may not have been brought out quite as much, that money is the corrupting factor here, that money in and of itself corrupts. I say to the Senator, does money corrupt when we do research for cancer? Does money corrupt when we give to charity and help millions of people? Does money corrupt when we ask for more money for education, indeed, higher education to allow kids to go to college, does that corrupt? I don't think so.

Let me say it in another way. If I am in a store or any American citizen is in a store somewhere, and as I am walking down the aisle looking for something to purchase, I see a wallet on the floor. I reach down and pick up the wallet and there is $5,000 in the wallet and a name. I have two options: I can put the wallet in my pocket and walk out of the store, or I can take the wallet up to the counter and give it back to the clerk and say, ''Somebody lost their wallet. Here is the name. There is $5,000 in it and you can return it.''

If you use the logic that money corrupts, everybody keeps the wallet. But everybody doesn't keep the wallet, and the majority of Americans don't keep the wallet. That is the issue here. If the shoe fits, wear it; if money corrupts you, maybe you shouldn't be here. I have never been asked for anything for the money. Nobody has ever asked me for a vote, and I wouldn't give it to them and I would be insulted if somebody thought I would, and if somebody thought I would then they ought not elect me and vote for me. That is how strongly I feel about it.

Fundamentally, McCain-Feingold is unconstitutional. That is the bottom line, as the Supreme Court said in Buckley versus Valeo, 9 to 0, liberals and conservatives on the Court.

We also hear a lot about how we give special access to those who give us money. It is never reported in any of the stories, but yes, sure, people give money and they might see me or Senator MCCONNELL or Senator KEMPTHORNE or Senator FEINGOLD, sure. But how about the other people who we help get their Social Security checks, who we meet with every day or we speak to from this group or that group who we never ask for anything, they never give us anything; we just help them every day, day in and day out, hundreds of letters we answer, hundreds of people we help in our constituent offices in our States. Nobody talks about them. Nobody asks them for money. They can't give money, in most cases. They just want good Government and some help. We don't hear about that. If you put it out there and balance it out, you find there is heck of a lot more people with access to us who don't have money than people who do.

Mr. MCCONNELL. Will the Senator yield for an observation? I say to my friend, you know who has the most access to us is the press.

Mr. SMITH of New Hampshire. That is exactly right.

Mr. MCCONNELL. The most access to us. I never heard of an editorial writer complain about access of the press. Have you heard that?

Mr. SMITH of New Hampshire. I have not. As I promised you I would speak on this at 2:15 today, it took me until 2:30 to get here because I had four minipress conferences coming over on a number of issues, from Iraq to this and a couple of other issues as well.

I, again, commend my leader and proudly, as the Senator from Oregon said a few moments ago, proudly support the first amendment. Thank you.

The PRESIDING OFFICER. Who yields time?

Mr. MCCONNELL. Let me take a moment and thank the Senator from New Hampshire for his contribution to this debate. He has very skillfully presented the analogy. The wallet story, I think, is a very, very important addition to the debate and really says a lot about what this is all about. In fact, as the Senator from New Hampshire pointed out, if you are going to have much of an impact on the political dialog in a country of 270 million people, you have to be able to amplify your voice, you have to be able to project your voice to large numbers of citizens or your voice isn't very much.

Of course, as the Senator from New Hampshire pointed out, Dan Rather, Tom Brokaw and the rest certainly have more speech than we do. Nobody is suggesting that we rein them in. But there are many of us who think their speech is not very helpful, occasionally, to the political process. So I thank the Senator from New Hampshire for a very important speech.

Mr. SMITH of New Hampshire. If I can respond, on election night, Dan Rather called my election the other way, and he was wrong. I would not have minded restricting his speech that night, but I still support his right to say it and glad he was wrong.

Mr. MCCONNELL. I thank the Senator for his answer. How much time remaining do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. MCCONNELL. I reserve the remainder of my time.

Mr. FORD. Mr. President, once again, I rise to discuss an issue that in the recent past has generated lots of talk and not much action—campaign finance reform. But thanks to the hard work of my colleagues—on both sides of the aisle—we are once again at the brink of doing something to address the many problems we have with our system for financing election campaigns.

Thanks to the tireless efforts of our colleagues, Senators MCCAIN and FEINGOLD, we now know that the question is not whether a bill will come to the floor, but whether we will pass the bill that they have brought us. Keeping that in mind, I want to speak a bit today on why I support the measure before us.

As an original co-sponsor of McCain-Feingold, I agree that what is necessary is a comprehensive overhaul of the way we conduct our campaign business. If we have learned anything from our experiences in the last few elections, it is that money has become *too important* in our campaigns. Mr. President, in the last election federal candidates and their allies spent over $2 billion—$2 billion—in support of their campaigns. The McCain-Feingold bill currently before us, I believe, is the sort of sweeping reform that we must pass if we are to restore public trust and return a measure of sanity to the way we finance elections.

Now each of us has his or her own perspective on what's wrong with the system. For me, Mr. President, it's the explosive cost of campaigning. When I announced in March 1997 that I would not seek reelection, I said: ''Democracy as we know it will be lost if we continue to allow government to become one bought by the highest bidder, for the highest bidder. Candidates will simply become bit players and pawns in a campaign managed and manipulated by paid consultants and hired guns.'' The problem becomes clearer when you look at specifics. In my case, when I first was elected to the Senate, I spent less than $450,000—actually, $437,482—on my campaign. Back then, I thought that was a lot of money. If only I'd known. Mr. President, if I hadn't decided to retire, for next year's election I would have had to raise $4.5 million. Now, I know all about inflation but that's not inflation—that's madness. What's worse, I understand that if we continue on this path, by the year 2025 it will cost $145 million to run for a single Senate seat. Can any of us imagine what our country will look like when the only people who can afford public service are people who have—or can raise—tens of millions of dollars for their campaigns? I can't imagine such a future, Mr. President—and the time is now to make sure things never get that bad. McCain-Feingold won't cure everything that ails the current system, but I support it because it represents a real, meaningful first step toward restoring a sense of balance in our campaigns by ensuring that people and ideas—not money—are what matters. Specifically, I support McCain-Feingold because it deals with a series of disturbing issues that have grown in importance in recent years.

I also agree that a primary problem with the current system is the flood of ''soft money.'' But when I speak of soft money, Mr. President, I want to make it clear that we are talking about more than just the fundraising of the national parties. True—in 1996, the parties raised over a quarter billion dollars in soft money, which they then used in various ways to support their candidates at every level of the ballot. That's a lot of money, but it's only a small part of the total so-called ''soft money'' picture. That's because soft money is any money that is not regulated by the Federal Election Campaign Act. That includes national party money, of course, but it also includes millions of dollars raised and spent by independent groups on so-called ''issue ads.'' Thanks to the excellent work of our colleagues on the Government Affairs Committee, we now know that many of these so-called independent organizations, many claiming tax-exempt status, are established, operated, and financed by parties and candidates themselves—and their finances are totally unregulated. Therefore, McCain-Feingold is meaningful reform because it recognizes that the problem is not just ''soft'' money, it is ''unregulated'' money.

The McCain-Feingold bill is also valuable because it recognizes that closing the party soft money loophole is not enough. The bill also addresses the problem of so-called ''issue advocacy'' advertising. These so-called issue ads have developed as a new—and sometimes devious—way that unregulated money is issued to affect elections. Lawyers might call it ''issue advocacy'', but I'm not a lawyer so I call it what it really is, ''handoff funding''. ''Handoff funding'' is where a candidate ''hands off'' spending, usually on hard-hitting negative ads, to a supposedly neutral third party whose finances are completely unregulated and not disclosed. Now I know there are those who call these ads free speech. But this isn't free speech, it's paid speech. Of course we need to respect the Constitution, but we can't let people hide behind the Constitution for their own personal or partisan gain. McCain-Feingold draws this paid speech into the light where not the lawyers but the jury—the American people—can decide which issues and which candidates they will support.

Mr. President, I want to respond just a moment to the claim of many of my Republican colleagues that McCain-Feingold's issue advocacy reform somehow limits free speech. That simply is not true. When this bill passes, not one ad that ran in the last election—not one, not even the worst attack ad—will be illegal. What McCain-Feingold would do is say to those candidates and groups who have been using ''handoff funding'' to puff themselves up or tear down their opponents—all the while claiming that they were simply, quote, ''advocating issues''—is that within 60 days of the election they must take credit for their work, dirty or otherwise. The only people whose speech will be prevented by this law are people who are afraid to step into the light and be seen for who they are. That, Mr. President, is what I call reform—and I think the American people would agree.

Another critical issue addressed in McCain-Feingold—and this is one area, I think, where we all are in nearly unanimous agreement—is the question of disclosure. Currently there is too much campaign activity—contributions and spending—that is not disclosed to the public on a regular, timely basis. We must commit ourselves, as does McCain-Feingold, to providing the American people with timely and full disclosure to information about political spending, and the means by which they can access that information. Like many colleagues, I believe that the Internet and electronic filing is the way to make this happen; but I hope we will make it clear that *all* campaign finances—including third-party issue advocacy—are to be disclosed before we get too worried about how such disclosure would take place.

Mr. President, all these reforms will be meaningless unless we are willing to do right by the Federal Election Commission. If the FEC really is the toothless tiger that many people said it is, we must take at least some of the blame for removing its teeth. Any bill that makes changes to the campaign finance laws without restoring the FEC's funding and improving its ability to publicize, investigate, and punish violations cannot truly claim the title of ''reform.''

In conclusion, Mr. President, I know that we will not have an easy road to passage of campaign finance reform legislation. In this body there are a number of colleagues who are opposed to reform and aren't afraid to speak their minds about the quote, ''danger,'' of reform. Mr. President, I can't blame them. If I had the advantage of millions of dollars from wealthy folks and millions more from corporations and special interests, I would think reform was dangerous, too, and I would have to think twice before supporting a bill that took away that advantage. Their opposition—whether in the public interest or their self-interest—means that the debate on this issue will get more than a few of us into a real lather. I'll take that challenge, Mr. President. Just because campaign finance reform will be difficult, and might require each party to give up things it cares about or simply has gotten used to, is no reason not to pass McCain-Feingold, and soon.

All we need to do is to roll up our selves and remember the wisdom of that great Kentuckian Henry Clay, who called compromise ''mutual sacrifice.'' Our way is clear, if not easy, but I have confidence that we will do what is right to restore public confidence in the way we fund our campaigns. I look forward to the continuing debate, and to demonstrate to the American people that we are serious about cleaning up the system by voting for comprehensive campaign finance reform.

Mr. KOHL. Mr. President, I rise today to voice my support for the McCain-Feingold campaign finance reform bill. This debate is one of the most important that the Senate will conduct in this session of Congress, and I desperately hope it will result in passage of meaningful campaign finance reform.

We are beginning another mid-term election year, and the American public is again bracing for the barrage of money, special interest TV ads, and rhetorical hyperbole that accompany modern campaigns. There is near universal belief in this nation that Congress should do something about our campaign finance laws. We hold weeks of hearings on abuses in recent elections; we document loophole after loophole in the fabric of our laws whereby special interest influence campaigns to the detriment of our national interests; and we see meaningful, genuine reform proposals twisted and maligned by those same groups who are terrified at their potential loss of power.

This is an old-fashioned debate in Washington, because it's about who has the power and how that power will be used. The McCain-Feingold bill seeks to diffuse that power; to level the playing field a little bit in federal campaigns and reduce the amount of special interest money in elections. Senators MCCAIN and FEINGOLD have developed a genuine compromise plan. It is not exactly as I would have drafted—or any of us, if we had that chance. It is, however, the best chance we have to repair the broken campaign finance system.

The modified version of the bill addresses one of the fundamental problems in the system—soft money contributions. By banning these huge sums from federal campaigns, we correct many of the problems which were exposed last year in hearings before the Senate Government Affairs Committee.

The bill also tries to deal with the growing and disturbing impact of independent expenditures. I believe the sponsors of the bill have achieved a delicate balance in this area—curtailing the use of this practice, while still conforming to constitutional boundaries.

Mr. President, there is an extraordinary need for reform of our election laws. Despite the apparent problems—problems that have gotten worse with every election—Congress has not passed reform. Our failure to act has contributed to a loss of confidence, not only in our electoral system, but in our democracy.

The American public has lost faith in government and its institutions. Americans feel they don't control government because they believe they don't control elections.

If you ask people who runs Washington, most will say ''special interests.'' People watch state officials, Members of Congress, and presidential candidates chase money, and believe that's the only way to get your voice heard in Washington. They see televised campaign finance hearings, allegations of trading contributions for access, and they think, ''how could my voice be heard over all that cash.''

Certainly, Congress is not alone to blame for the current system. Voters themselves share some responsibility. People routinely decry the use of negative political ads, yet continually respond to the content of those ads. The media, especially television stations and networks, have failed to adequately inform the public of important policy questions. Instead of covering significant issues, broadcasters often fall back on covering the ''horserace'' aspect of the campaign, or ''sideshow'' disagreements among candidates.

But the ultimate responsibility rests in this chamber, with Congress. For more than 30 years the growing crisis has been ignored. Year after year, speeches are given, bills are introduced, but no action is taken.

We now have a rare opportunity, with public attention focused on this debate and this bill, to pass real campaign finance reform.

Mr. President, we have never had a time in our nation's history when such a pervasive problem went unanswered by the Congress. America has met challenges such as this before, and adopted policies which strengthened our democracy. We have that opportunity with the bill before us.

The McCain-Feingold bill will help restore the American public's faith in this institution and in all the institutions of government.

As some of my colleagues know, Senator BROWNBACK and I have introduced legislation to establish an independent commission to reform our campaign finance laws. This commission would be similar to the Base Closure Commission, which proposed a series of recommendations to Congress for an up-or-down vote of approval.

But I do not believe that we should take such an approach at this time. It would be much better if Congress acted on its own, without the help of an outside body, to reform our election laws. It would demonstrate to the American public that Congress is serious about changing the way our democracy functions.

Mr. President, before I conclude, I just want to take a moment to once again commend my colleague from Wisconsin, Senator FEINGOLD. Last year, when we debated this bill, I said that Senator FEINGOLD truly follows in the tradition of the great progressive movement in Wisconsin. That's more even true today than it was last year. I'm proud to serve with him, and I urge my colleagues to support our efforts to pass this vital legislation.

Mr. FAIRCLOTH. Mr. President, I believe we need campaign finance reform, but the McCain-Feingold amendment is not the right approach at this time. I will say that I am disappointed that many of the people advocating reform are defending people who couldn't live under the laws we already have. Perhaps the best reform that we can make immediately would be for candidates to live within the laws we have now. Clearly this Administration did not do this in 1996.

I am disturbed by two provisions. First, the naked attempt to muzzle the free speech of citizens who want to advocate on behalf of a candidate. This ''reform'' would limit the free speech of all American citizens. I hardly see that as being ''reform.'' We put too many limits on our citizens now, we cannot restrict their right to participate in the political process.

Second, this bill does nothing to stop the loophole that unions have exploited for years to advocate their political positions. It does nothing to stop the practice of labor unions taking the dues from hard working citizens and spending millions of dollars on ads to defeat candidates. Why is it that the people who advocate reform will not permit union members to keep their well-earned money and spend it as they wish? Why do they oppose a separate, voluntary means for using the dues of union members? Regrettably, the answer is that the so-called reform advocates want to keep the liberal ads coming in waves, and cut off the political speech of others. I cannot support that under any circumstances.

And what happens when we make reforms? Look at the results of the 1974 law. The reforms limited personal contributions from individuals, yet it spawned PAC's and soft money. On public financing, the taxpayers were to pay for the campaigns of those running for President—so that they would be beyond reproach. Yet by 1996, the President and the Vice President spent untold hours raising soft money by the millions. From appearing at Buddhist Temples to renting out the Lincoln Bedroom, to making phone calls from the Oval Office, the 1974 reforms became a mockery at the hands of this Administration. For them to be calling for campaign finance reform is like a horse thief galloping down the street warning citizens to lock their barns. It simply doesn't pass the straight face test.

III conceived, reforms can make the system worse and that is why I cannot support McCain-Feingold. If we want real reforms, we will do the following: limit soft money; equalize PAC and individual contribution at $2500; speed disclosure to the public; tighten the ban on contributions by non-citizens; and, stop the abuses by unions taking dues for political purposes. Finally, we should pass the ultimate reform: term limits.

These kinds of reforms would improve the system, empower the individual, stop some of the most flagrant abuses taking place now and expand more opportunities for citizen legislators to serve. This is the kind of approach we need.

Mr. KERREY. Mr. President, I rise today in support of the McCain-Feingold bill, which will provide this country with much needed campaign finance reform.

The Constitution lays out the requirements for someone wanting to run for office. In order to run for Senate, the Constitution tells us that there are 3 requirements: First, you need to be a U.S. Citizen for 9 years. Second, you need to be at least 30 years old. Third, you need to live in the state whose office you're running for.

Three simple requirements, right? Wrong.

What the Constitution doesn't tell you is that there is a fourth requirement. You must have an awful lot of money, or at least know how to raise a lot of money.

The Constitution doesn't tell you this because when the framers sat down to draft the Constitution, they could not possibly have imagined the ridiculously large amounts of time and money one must spend today if a person wants to be elected to office.

For example, if you want to run for Senate in my home state of Nebraska, population 1.6 million, it will cost you several million dollars. This means that candidates must raise over $10,000 every week for 6 years to cover the cost of the average Senate campaign.

We need to stop using partisan procedural stalling tactics and get serious about fixing our campaign financing laws. We need to change the law to give power back to working families, restore their faith in the process, and make democracy work again. That's why I rise in support of the bipartisan bill offered by Senators MCCAIN and FEINGOLD.

This bill would be a strong first step toward making democracy work. It seeks to solve the problem of soft money (money raised in an election, but is outside of federal campaign finance rules), not just with the political parties, but with the special interest groups who run attack ads, who are completely unregulated by the system, and whose contributors are undisclosed. It would require better disclosure, and give more power to the F.E.C. It would create incentives to keep wealthy individuals from trying to buy a Senate seat.

This is not a perfect bill, especially in the stripped-down form in which it has ultimately reached the floor. I feel that it could be improved in ways which would make it easier for average Americans to run, win and serve, and which would make incumbent senators a lot less comfortable. I feel especially strong about the need to toughen our system of election law enforcement, so that the politicians who break the law end up paying the price.

But my colleagues and I can't make an effort to improve this bill if the

other party continues with their stalling tactics and prevent us from debating it.

Mr. President, Americans are frustrated. It is time to get serious about this debate. I know it, you know it, and the American people want it.

As I've said before, in a Harris Poll last March, 83 percent of Americans said they thought that special interest groups had more power than the voters. Seventy-six percent said that Congress is largely owned by special interest groups.

Our lack of action on this issue reinforces the view that Americans have of their Government.

The American people are frustrated by our delay. They are frustrated with the political process that appears to respond to those with economic power and which, all too often, ignores the needs of working men and women.

They are frustrated with the rising cost of campaigns, with a political system which closes the door to people of average means who also want to serve their country in the U.S. Congress.

They are frustrated with the millions of dollars they see go into our campaigns. They are frustrated with our tendency to talk instead of act.

Mr. President, it is time for us to show the American people, not with words but with action. With a single vote today, Senators can act to allow this issue to move front and center on the political stage. With this bipartisan bill, we can show the American people that we mean what se say when we talk.

Last week in the Omaha World Herald, there was an op-ed piece written by Deanna Frisk, the President of Nebraska's League of Women Voters. In laying out her reasons why all Americans would benefit from fixing our campaign finance laws, Ms. Frisk said:

> Campaign finance reform is about creating the kind of democracy we want to have: a democracy where citizens come first, a democracy that is open to new faces, a democracy that can respond with fresh ideas to the problems confronting our country.

Mr. President, I couldn't agree more. As members of the Senate, we are in a unique position to make our government work better for the American people.

Let's give every 30 year old, U.S. Citizen who wants to serve his state as a Member of the Senate a fighting chance. Let's get rid of that unofficial requirement that says don't bother running for office if you don't have lots of time and money to invest. Let's make the wealthy candidate who can afford to dump loads of his own money into a campaign the exception, not the norm like it is today.

Let's give the American people what they want. Let's end this partisan bickering and pass the McCain-Feingold bill.

Mr. BAUCUS. Mr. President, I rise in support of the important campaign finance reform legislation that is before us today.

Today very wealthy special interest groups can pump unlimited amounts of money into a political campaign. In fact, one individual or group can attempt to buy an election. After this bill passes, that will not longer be true. This is the one reform that will do the most to give an ordinary person an equal say in who they send to Congress.

I support this legislation because I believe it represents the right kind of change. While not a perfect solution, it will help put our political process back where it belongs: with the people. And it will take power away from the wealthy special interests that all too often call the shots in our political system.

Let's be clear of our goal today: we must ensure that political campaigns are a contest of ideas, not a contest of money. We need to return elections to the citizens of states like Montana and allow them to make their own decisions, rather than letting rich Washington, DC groups run attack campaigns designed to do nothing but drag down a candidate.

Yet, ironically, by failing to act; by failing to pass this legislation; we will also be opening the door to change—the wrong kind of change. Our political system will continue to drift in the dangerous direction of special interests.

Since the 1970s, when Congress last enacted campaign finance reform, special interest groups supporting both political parties have found creative new ways, some of questionable legality, to get around the intent of our campaign finance laws. Things like soft money, independent expenditures, and political action committees all came about as a consequence of well-intended campaign finance reforms.

MONTANANS WANT REFORM

During my last campaign, I walked across Montana—over 800 miles across the Big Sky State. One of the benefits to walking across Montana, in addition to the beautiful scenery, is that I hear what real people in Montana think. Average folks who don't get paid to fly to Washington and tell elected officials what they think. Folks who work hard, play by the rules, and are still struggling to get by.

People are becoming more and more cynical about government. Over and over, people tell me they think that Congress cares more about ''fat cat special interests in Washington'' than the concerns of middle class families like theirs. Or they tell me that they think the political system is corrupt.

EFFECT ON WORKING MONTANANS

Middle-class families are working longer and harder for less. They have seen jobs go overseas. Health care expenses rise. The possibility of a college education for their kids diminished. Their hope for a secure retirement evaporate.

Today, many believe that to make the American Dream a reality, you have to be born rich or win the lottery. Part of restoring that dream is restoring confidence that the political system works on their behalf, not just on behalf of wealthy special interests.

Now it is time for use to take a real step to win-back the public trust—it is time for us to pass a tough, fair, and comprehensive Campaign Finance Reform bill. That bill must accomplish three things.

First, it must be strong enough to encourage the majority if not all candidates for federal office to participate.

Second, it must contain the spiraling cost of campaign spending in this country. finally, and most importantly, it must control the increasing flow of undisclosed and unreported ''soft-money'' that is polluting our electoral system.

REFORM MUST REDUCE COSTS OF CAMPAIGNS

Under the current campaign system, the average cost of running for a Senate seat in this country is $4 million. I had to raise a little more than that during my 1996 race. That is an average of almost $2000 a day.

When a candidate is faced with the daunting task of raising $12,000 a week—every week—for six years to meet the cost of an average campaign, qualified people are driven away from the process. If we allow ideas to take a back seat to a candidates ability to raise money—surely our democracy is in danger.

The numbers are proof enough. As campaign costs have risen, voter turnout has drastically fallen. Think about that. People are spending more and more, while fewer people are voting. Since 1992, money spent on campaigns has risen by $700 million dollars. In the same time period, turnout has dropped from 55% to an all time low of 48%.

Mr. President, less than half the country now votes in elections. What does this say about our political system? It says, quite simply, that people no longer believe that their vote counts, that they can make a difference. They believe that big corporations and million dollar PACs have more of a say in government than the average citizen. That perception is the most dangerous threat facing our country today.

Let me be clear—my first choice would simply be to control campaign costs by enacting campaign spending limits. However, the Supreme Court, in Buckley v. Valeo, made what I believe was a critical mistake.

They equated money with free speech—preventing Congress from setting reasonable state-by-state spending limits that everyone would have to abide by.

WHAT'S RIGHT WITH THE BILL

While I must admit this bill is not perfect, it will take several crucial actions to reign in campaign spending. First, this is the first bi-partisan approach to campaign finance reform in more than a decade.

Second, the bill establishes a system that does not rely on taxpayers dollars to work effectively.

The McCain-Feingold substitute would prohibit all soft money contributions to the national political parties

from corporations, labor unions, and wealthy individuals.

The bill offers real, workable enforcement and accountability standards. Like lowering the reporting threshold for campaign contributions from $200 to $50. It increases penalties for knowing and willful violations of FEC law. And the bill requires political advertisements to carry a disclaimer, identifying who is responsible for the content of the campaign ad.

Every election year, in addition to the millions of dollars in disclosed contributions, there are the hundreds of millions in unreported, undisclosed contributions spent by ''independent expenditure'' campaigns and ''issue advocacy'' advertisements. These ads are funded by soft-money contributions to national political parties.

Out-of-state special interest groups can spend any amount of money they choose, none of which is disclosed, all in the name of ''educating'' voters—when in fact their only purpose is to influence the outcome of a election. More times than not, the see-sawing 30 second bites do more to confuse than to educate.

This lack of accountability is dangerous to our democracy. These independent expenditure campaigns can say whatever they wish for or against a candidate, and there is little that candidates can do—short of spending an equal or greater amount of money to refute what are often gross distortions and character assassinations.

To close, Mr. President, America needs and wants campaign finance reform. The Senate should pass comprehensive legislation right now. That legislation should accomplish one clear goal: we must ensure that political campaigns are a contest of ideas, not a contest of money.

An oft-quoted American put it this way: ''Politics has got so expensive that it takes lots of money to even get beat with.'' That statement wasn't made this year or last year, or even during our political lifetimes. Will Rogers said that in 1931. He was right then, and he's even more right today.

I remain committed to this cause and will do everything in my power to ensure that the Congress passes meaningful Campaign Finance Reform, this year.

Mr. WYDEN. Mr. President, the American political system is profoundly broken. I experienced this in my recent campaign for this office, which was why I made it my first official act, fifteen minutes after being sworn in to the Senate, to cosponsor the McCain-Feingold bill.

We have all seen the phenomenon, in our own campaigns and in others, where they hold the election on Tuesday, you sleep in on Wednesday, and by Thursday afternoon it has started all over again. There is no interval in which to focus exclusively on the public's business.

I don't think that anyone in this body likes that situation. I have never heard a group of Senators talking among themselves about how wonderful the seemingly permanent campaign is. Well today we have a chance to do something about it. The McCain-Feingold bill won't fix everything, but it will be the most significant step in the right direction in a long, long time.

This bill also takes on one of the greatest threats that has developed in recent years to the quality of our nation's public dialogue, the recent rash of so-called ''independent expenditure campaigns.''

Political campaigns ought to be an opportunity for people who want to serve in public office to not only explain themselves, but to listen and learn. I have tried when running for office to spend as much time as possible listening to what the people I meet at shopping centers and bus stops and ice cream socials have to say. I want to hear what they think and I want to talk to them in a serious way about the fights that I want to wage on their behalf, the issues that I feel passionately about, and the direction I think our country ought to be headed.

But in the past few years, new tactics have been developed by a variety of groups on both the left and the right who seek to insert themselves in between candidates and the public they seek to serve. In these races, the candidates at times become mere pawns in some larger battle for influence.

In the race that my colleague from Oregon and I ran against each other, there were ads that were run that were probably meant to help me, and ads that were run that were meant to hurt me. I think that Senator SMITH and I would both agree that we both would have preferred if all of these ads had never been aired. The McCain-Feingold bill is the best solution available at this time to clean up the excess of these independent expenditures.

Democracy is a precious and fragile gift that has been left to us by previous generations, Mr. President. I don't expect that the republic will collapse tomorrow if we fail to pass this bill, but make no mistake about it, the steady erosion of the public's confidence in their leaders is a dangerous trend. We can make a real beginning today. The American people want this system fixed, and they have a right to expect that it will be. Let's not disappoint them again.

The PRESIDING OFFICER. Who yields time?

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I yield myself such time as I require.

The PRESIDING OFFICER. The Senator is recognized.

Mr. FEINGOLD. Mr. President, conversations today have been including the notion that the American people don't care about campaign finance reform, and occasionally people do ask why is it important to reform our system of financing campaigns. I think it is pretty clear that people do care about this issue. Just talk to them about it. Trying to get it to show up on a poll is one thing, but if you talk to them, you will find a different story.

That is particularly true when Americans are told the facts or learn the facts about our current system that it actually affects average Americans who may not even care a great deal about being involved in the political process.

I heard today on the floor a number of opponents of our bill assert this issue has no impact on the average citizen. Although I recognize many Americans do not think this issue is the No. 1 issue in America, Americans do care about this issue because it does affect their daily lives in real ways.

Why should Americans care about campaign finance reform? One very good reason to care is that as consumers, they are affected. We all pay for the current system of campaign financing through higher prices, higher prices in the pharmacy, in the supermarket, on our cable bills, when we fill our cars with gas and in many other ways.

Mr. President, in support of this, I have two items I would like to have printed in the RECORD which explain that our current system of financing political campaigns has a very real and direct effect on consumers and provides further support for the need to pass meaningful campaign finance reform.

Today, Common Cause released a report entitled ''Pocketbook Politics.'' Common Cause reveals how special interest money hurts the American consumer. This report examines the campaign contributions of special interest groups which have benefited from Federal programs and policies that have had a costly effect on American consumers.

Mr. President, I ask unanimous consent to have printed in the RECORD the executive summary from this new Common Cause report, ''Pocketbook Politics.''

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the Common Cause Follow the Dollar Report, February 1998]

POCKETBOOK POLITICS: HOW SPECIAL-INTEREST MONEY HURTS THE AMERICAN CONSUMER

In 1996 and 1997, powerful special interests—with the help of generous campaign contributions—won victories in Washington that resulted in higher prices in our day-today lives and have taken a substantial bite out of the pocketbooks of typical American families.

Special-interest victories in just six areas denied the American public access to cheaper, generic versions of many popular brand-name drugs; halted improvements in the fuel efficiency of their minivans and cars; pushed up their cable bills; made them pay more to make a call from a pay phone; and kept the prices of peanuts and sugar artificially high.

Since 1991, the special interests represented in just these six examples gave more than $61.3 million in political contributions, including $24.6 million in unlimited soft money donations to the political parties.

The policies these special interests supported not only harm consumers, they often hurt the environment as well. Environmentalists charge that the peanut price-support program whose benefits go to large peanut producers and a small number of landowners, has encouraged farming practices that exhaust the land and result in an increased use of agricultural pesticides. Sugar policies encouraged the growth of sugar plantations near the environmentally sensitive Florida Everglades. A stalemate on fuel efficiency standards increased air pollution and aggravated global warming.

''Our report documents six government programs and policies and their costly effect on the American family,'' Common Cause President Ann McBride said. ''But what we show is just a drop in the bucket. These examples don't begin to explore all the agendas of all special-interest political contributors, their victories on Capitol Hill and at the White House, and their overall impact on the American public.

''But it's clear that a campaign finance system that rewards deep pocket corporations and wealthy individuals directly affects all Americans, robbing them of their hard-earned dollars and threatening to degrade the earth's environment—our legacy to our children. In the insider's game that determines public policy in Washington, special interests and politicians hit the jackpot. But too much of that jackpot comes out of the pocketbook of the American consumer.''

POCKETBOOK POLITICS: EXECUTIVE SUMMARY

In 1996 and 1997, powerful special interests—with the help of generous campaign contributions—won victories in Washington that resulted in higher prices in our day-today lives and have taken a substantial bite out of the pocketbooks of typical American families. This study examines just a handful of examples where special interests won victories at the expense of the American consumer.

Bad Medicine: Since 1991, the companies belonging to the Pharmaceutical Research and Manufacturers of America (PhRMA), the trade group for brand-name drug makers, have given more than $18.6 million in political contributions, including $8.4 million in soft money donations to the political parties. With the help of that influence, brand-name drug companies have kept their bottom lines healthy by successfully convincing Congress to let them hold on to their drug patents longer. Loss of access to generic drugs costs consumers, as much as $550 million a year.

Car Fare: The American auto, iron, and steel industries gave $5.7 million ion political contributions since 1991, including more than $1.7 million in soft money donations to the political parties. For the past three years, Congress has voted for a freeze on Corporate Average Fuel Economy (CAFE) standards, thereby sparing these special interests the burden of making cars and trucks more fuel efficient, which they fear might eat into their bottom lines. Supporters of higher CAFE standards claim that it is possible to produce safe, fuel-efficient cars that can save consumers money at the gas pump. Being deprived of this fuel efficiency costs consumers about $59 billion annually.

Party Lines: Together cable and local phone companies have given $22.8 million in political contributions since 1991, including $8.7 million in soft money donations to the political parties. The groundbreaking Telecommunications Act of 1996, which was supposed to make the industries more competitive and responsive to consumer needs, has actually worked to shrink competition. The resulting jump in cable TV bills and pay phone rates costs consumers about $2.8 billion annually.

The $1 Billion PB&J Sandwich: Together peanut and sugar interests have given $14.2 million in political contributions since 1991, including $5.7 million in soft money donations to the political parties. In 1996, they fought to ensure that a historic overhaul of domestic farm policy left their programs virtually untouched. They also rebuffed congressional proposals in 1997 to phase out or eliminate their programs. These legislative victories have upped the price of peanuts and sugar substantially, costing consumers about $1.6 billion annually.

Mr. FEINGOLD. Also, Money magazine published an article in December making much the same point, with additional examples of how consumers have been hurt by decisions made by this Congress under the influence of campaign donations from affected industries.

Our decisions on everything from the airline tax to sugar subsidies to securities laws reform to electricity deregulation are potentially compromised by the money chase. Anyone who cares about public confidence in this institution should be concerned about these examples of industries and individuals with a great economic stake in our deliberations being able to and actually, in fact, making large and strategically focused campaign contributions.

I ask unanimous consent to have printed in the RECORD an excerpt from the Money magazine article entitled ''Look Who's Cashing in on Congress.''

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Money Magazine, December 1997]

LOOK WHO'S CASHING IN ON CONGRESS; TALES FROM THE MONEY TRAIL: HERE ARE SOME OF THE REASONS YOU'LL PAY NEARLY $1,600 THIS YEAR FOR LEGISLATION THAT BENEFITS CORPORATIONS AND THE WEALTHY.

(By Ann Reilly Dowd)

Ordinary Americans are prohibited from climbing Mount Rushmore, where the faces of four great Presidents are carved in granite. But this September, just before the Senate began debating campaign finance reform, Senate Minority Leader Tom Daschle (D–S.D.) led a group of supporters, including 21 representatives of industries as diverse as airlines, financial services, telecommunications and tobacco, up the mountain that's been called the ''Shrine of Democracy.'' Taking Washington's traditional brie-and-Chablis fund raiser to unusual heights, Daschle pulled in $105,000 for his re-election campaign and for his party during that weekend trip to his state's Black Hills. In return, the contributors not only got to perch at the top of a monument off limits to most mortals, but they also won access to the second most powerful politician in the Senate, a man who wields enormous influence over their industries' futures and their own fortunes.

That cash-driven coziness was not exactly what our forefathers had in mind when they spoke of a government of, by and for the people. Increasingly, however, the soaring cost of congressional races, weak campaign finance laws and potentially fat returns on contributors' donations have conspired to give big-spending corporations and wealthy individuals unprecedented access to Washington lawmakers, putting the givers in a prime position to influence the laws the politicians make. ''The founding fathers must be spinning in their graves,'' says Sen. John McCain (R–Ariz.), co-sponsor with Sen. Russell Feingold (D–Wis.) of the leading campaign finance reform bill.

Yet after weeks of high-profile hearings on presidential campaign finance abuses before a panel chaired by Sen. Fred Thompson (R–Tenn.) and heated debate on the Senate floor, the nation's legislators remain deadlocked over whether to fix the system—let alone how to do so. Worse, public interest in the subject is practically nil. For example, a recent poll found only 8% of Americans have been paying close attention to news about the Democrats' 1996 fund raising.

So why should you care about the way both parties finance their congressional campaigns? Because the subject isn't only about politics, it's about your money. Here are two examples of this year's tab:

U.S. taxpayers will pay $47.7 billion for corporate tax breaks and subsidies. That's the conclusion of an exhaustive study by economist Robert Shapiro, vice president of the Progressive Policy Institute, a Washington think tank affiliated with the moderate Democratic Leadership Council. The total cost to the average American household in 1997: $483.

Import quotas for sugar, textiles and other goods will raise consumer prices $110 billion, according to economist Gary Hufbauer of the nonprofit Council on Foreign Relations. total cost per household: $1,114.

All of this comes amid rising public cynicism and apathy about politics. In a recent poll by the Center for Responsive Politics, a nonpartisan group that studies how money influences politics, nearly four in five Americans said major contributors from outside U.S. representatives' districts have more access to the lawmakers than their constituents do. Also, about half of those polled believe that money has ''a lot of influence on policies and legislation.'' Says Ann McBride, president of Common Cause, a political watchdog group: ''It's no accident that last year's extraordinarily low voter turnout coincided with the highest-priced election in history.''

During the 1995–96 election cycle, the Federal Election Commission (FEC) reports, candidates running for the House and Senate raised $791 million, 68% more than a decade earlier. Of the total, a quarter, or $201 million, came from political action committees (PACs) run by corporations, labor unions and other interest groups. Of the $444 million from individuals, only 36%, or $158 million, was given in amounts of less than $200.

Even more startling, the political parties collected an additional $264 million in so-called soft money in 1995–96, triple the amount they raised during the last presidential election campaign. While the law limits so-called hard-money contributions to candidates to $1,000 per election from individuals and $5,000 from PACs, there are no caps on soft money, which flows from corporations, unions and individuals in huge chunks. For example, according to Common Cause, in the last election cycle tobacco giant Philip Morris and its executives gave $2.5 million in soft money to the G.O.P., while the Communications Workers of America contributed $1.1 million to the Democratic Party. The FEC says soft money is supposed to be spent on ''party building.'' But much of the cash finds its way into congressional and presidential races. Says McBride: ''Soft money is clearly the most corrupting money in politics today.''

Indeed, campaigning has mostly turned into a money chase. Last year, winning a Senate seat cost an average of $4.7 million, up 53% since 1986. Snagging a House seat ran $673,739, up 89%. Some veteran senators, including Paul Simon (D–Ill.) and Bill Bradley (D–N.J.), have cited their distaste for endlessly dialing for dollars as one reason they

dropped out of politics. As for the current Capitol gang, says Charles Lewis, president of the Center for Public Integrity, a nonpartisan research group: ''It's a misimpression to think all new members are innocents. Either they are millionaires or they are willing to sell their souls, or at least lease them, before they even set foot in Washington.''

Of course, lawmakers often take positions out of principle. Other times, constituent or broader public interests dictate their votes. But the question remains: What role does money play in shaping legislation?

MONEY has found five instances where big money and bad bills collided, resulting in legislation that has—or may soon—cost taxpaying consumers like you dearly. (For more examples, see the table on page 132). We'll tell the tales and let you judge whether it's time for campaign finance reform.

FEAR OF FLYING

Why you may pay more for air travel: Early this year, Herb Kelleher, the tough-talking chief executive of Southwest Airlines, dropped to his knees in the office of U.S. Rep. Charles Rangel of New York City, the top Democrat on the powerful House Ways and Means Committee. ''If you'll support the little guy against this measure,'' begged Kelleher, referring to a proposed new flight tax that would hurt discount carriers like his, ''I'll give up Wild Turkey and cigarettes.''

Though only half in jest, Kelleher's theatrics weren't enough to overcome the clout of the Big Seven airlines—American, Continental, Delta, Northwest, TWA, United and US Airways—who stood to gain from the new tax. The Center for Responsive Politics estimates that during the 1995–96 election period, the Big Seven contributed $2.5 million in PAC money to candidates and soft money to both parties, almost three times what the airlines had given during the last election cycle. Among their biggest recipients was House Speaker Newt Gingrich of Georgia, where Delta is based, who took in $12,000 for his congressional campaign. Then in the first six months of this year, while Congress was debating the airline-tax bill, the big carriers kicked in another $640,000, including $6,000 more to the Speaker. By contrast, Texas-based Southwest and its small airline allies have contributed nothing to Gingrich and only $95,000 to congressional campaigns and the parties since 1995.

After a bruising Capitol Hill battle, the major carriers emerged with much of what they wanted, tucked into the 1997 tax act: a gradual reduction in the airline ticket tax from 10% to 7.5% plus a new $1 levy, rising to $3 in 2002, on each leg of a flight between takeoff and final landing. Many passengers who fly on regional carriers and discounters like Southwest emerged as losers, since those airlines tend to make more stops. For example, after the ticket-tax reduction and new segment fee are fully phased in, a family of four that flies on Southwest for $225 per person from Houston to Disney World, with a stop in New Orleans, will pay $25.50 in additional taxes.

For that, opponents say, the family can thank Gingrich, who broke a deadlock in the Ways and Means Committee over two warring proposals. One, backed by Southwest and Republican Jennifer Dunn of Washington, would have preserved the flat 10% ticket tax. The other, supported by the Big Seven and sponsored by Republican Michael (''Mac'') Collins of Georgia, reduced the tax and imposed a segment fee.

''Let's settle this like adults and compromise in [the House-Senate] conference,'' Gingrich told Dunn, who agreed to shelve her proposal. The Senate sided with Southwest. But a House provision favorable to the big airlines won in the closed door negotiations between Senate Majority Leader Trent Lott (R–Miss.) and Gingrich. Says a congressional aide whose boss backed Southwest: ''We left it to Trent and Newt, and Newt fought harder.'' Campaign money was not a factor, insists the Speaker's press secretary, Christina Martin. Instead, she says, Gingrich was guided ''by his experience, his vision and the will of his constituents and the Republican conference.''

DANCE OF THE SUGARPLUM BARONS

Why you pay 25% too much for sugar: The next time you buy a bag of sugar, consider this: You are paying 40[cents] a pound, 10[cents] more than you should, because a handful of generous U.S. sugar magnates have managed to preserve their sweet deals for 16 years. Says Rep. Dan Miller (R–Fla.), who led the bitter losing battle last year to dismantle the program of import quotas and guaranteed loans that props up domestic sugar prices, costing U.S. consumers $1.4 billion a year: ''This is the poster child for why we need campaign finance reform.''

The sultans of sugar are Alfonso (''Alfy'') and Jose (''Pepe'') Fanjul, Cuban emigre brothers whose Flo-Sun company, with headquarters in South Florida, produces much of the sugarcane in the U.S. The Fanjuls sprinkle more money over Washington than any other U.S. sugar grower. According to the Center for Responsive Politics, during the 1995–96 election cycle, when the sugar program was up for another five-year reauthorization, the Fanjul family, the companies they own and their employees gave $709,000 to federal election campaigns. Alfy served on President Clinton's Florida fund-raising operation, while Pepe co-chaired Republican presidential nominee Bob Dole's campaign finance committee. Overall during the past election cycle, the Center reports, U.S. sugar producers poured $2.7 million into federal campaign coffers, nearly 60% more than the $1.7 million given by industrial sugar users, including candy and cereal companies, who oppose price supports.

The sugar industry's investment appears to have paid off handsomely. At first, two conservative firebrands, Rep. Dan Miller (R–Fla.) and Sen. Judd Gregg (R–N.H.), seemed to have enough votes to kill the price-support program. In the Senate, however, then-Majority Leader Dole, determined that nothing would hold up the 1996 farm bill, took a machete to amendments that threatened to topple it, including Gregg's, which died by 61 votes to 35.

In the House, the sugar program was saved after six original co-sponsors of the Miller amendment switched sides, killing it by 217 votes to 208. One defector, Texas Republican Steve Stockman, who was locked in a tight re-election race that he ultimately lost, received $7,500 in sugar contributions during 1995 and '96, including $1,000 on the day of the vote. Stockman did not return Money's phone calls. Another voting for big sugar, Robert Torricelli (D–N.J.), now a U.S. senator, received $19,000 from sugar producers. New Jersey grows no sugar, but it is home to 870,000 Cuban Americans, whose votes Torricelli wanted for his Senate campaign. On the House floor, he argued that eliminating the program would drive up world prices, hurting domestic growers and helping foreign producers like Cuba. Said Torricelli: ''We will lose the jobs and the money, and Fidel Castro's Cuba will reap the benefits.''

* * * * *

WASHINGTON POWER PLAY

How politically charged utilities are short-circuiting federal deregulation efforts that could cut your electric bill: If you could shop around for power instead of buying it from a single local utility, you could cut as much as 24% off your monthly electric bill, according to the Department of Energy. For a family whose monthly electric bills average $100, that would mean yearly savings of $288, nearly three months of free power. But while states from California to New Hampshire are moving to increase competition among utilities, two deep-pocketed and determined adversaries have thus far stymied federal deregulation efforts.

Those fighting for rapid deregulation include large commercial electricity users, such as Anheuser-Busch, General Motors, Texaco and major retailers, as well as low-cost power producers and marketers like Houston's Enron. The Center for Responsive Politics estimates that during the 1995–96 election cycle, as Congress began considering deregulation, the major commercial power users contributed $7.8 million to congressional candidates and the parties, while Enron and its employees gave another $1.2 million.

On the other side of the power war are old-line, monopolistic utilities led by the Edison Electric Institute (EEI), their major Washington lobby. Their big fear: that so-called stranded costs for investments in nuclear power plants and other projects they pass on to consumers in the rates they pay will make it difficult to compete with low-cost energy producers under deregulation. During the 1995–96 election period, the old-line utilities contributed $7.7 million to the candidates and the parties. In addition, the Institute assessed its members $3 million to pay for a lobbying campaign against rapid federal deregulation.

So far, that effort seems to be working. After 14 hearings on deregulation, Frank Murkowski (R–Alaska), chairman of the Senate Energy and Natural Resources Committee, has still not introduced a comprehensive bill. Instead he is backing a narrower measure sponsored by Sen. Alfonse D'Amato (R–N.Y.) that would help the old-line utilities by letting them compete in any nonutility business, without allowing other power companies to enter the older firms' local electricity markets.

* * * * *

What will these power plays mean to you? Says, Charlie Higley, a senior policy analyst at Public Citizen, a consumer rights group: ''Generally we are concerned that legislators will strike a deal where the utilities will get the taxpayer to foot the bill for their stranded costs, the big industrial users will get all the breaks, and residential and small business customers will get no relief or, worse yet, higher costs.''

A MIDSUMMER'S NIGHT SCHEME

How Wall Street and Silicon Valley could undercut investor rights: In the summer of 1995, a coalition of accounting, securities and high-tech firms persuaded Congress to pass sweeping legislation limiting securities litigation that MONEY had warned could severely restrict investors' abilities to bring successful class-action suits for securities fraud. Though the Securities and Exchange Commission has concluded that it is too early to tell whether the Securities Litigation Reform Act has seriously eroded investors' rights, the same group of industries is now promoting legislation that would virtually ban investors from bringing class-action suites in state courts involving nationally traded securities. Warns Barbara Roper, the Consumer Federation of America's securities law expert: ''The big risk for investors is that the federal law will end up restricting meritorious cases and that we'll lose the states as an alternative venue for them.'' The possible result: Wronged investors not

only could find such cases harder to win, but they also may be prevented from filing suits in the first place.

* * * * *

In 1995 and '96, securities and accounting firms, as well as high-tech companies, which frequently are the targets of securities fraud lawsuits, flooded Congress and both parties with $29.6 million in campaign money, according to the Center for Responsive Politics. By contrast, the Center estimates the trial lawyers association, the biggest critic of the legislation, gave $3.1 million. (The total from all trial lawyers is unknown.) Says one top Democratic congressional aide: ''This is completely money-driven, special-interest legislation that we would never even be looking at if there were campaign finance reform. Most congressmen are not being bombarded with requests from local constituents to pre-empt state securities laws.''

WHAT CONGRESS SHOULD DO

Here are six changes recommended by advocates of campaign finance reform:

Ban soft money. This is the heart of the McCain-Feingold bill to improve the way campaigns are funded. The prohibition would shut down the easiest way corporations, unions and the wealthy have to buy access to Congress and influence legislation.

Limit PAC contributions. Congress ought to ban PACs from giving money to the campaigns of members of committees that govern the PACs' industries or their interests.

Offer cut-rate TV time. Candidates who agree to reject PAC money might get free or discounted TV time.

Reward small contributors. Tax credits for donations of $200 or less might stimulate more people to give. Says Kent Cooper, executive director of the Center for Responsive Politics: ''It's critical that we build a wider base of small contributors.''

Streamline disclosure. Candidates should be required to file their campaign receipts and expenditures electronically to the Federal Election Commission. That would enable it to post the data to its Website (www.fec.gov) more quickly.

Toughen election laws and enforcement. Congress must make the six-member Federal Election Commission, typically half Republican and half Democrat, more effective. The panel needs authority to impose civil penalties, a bigger enforcement budget (now only $31.7 million) and a seventh member to break ties.

What can you do? Write to congressional leaders Gingrich, Lott and McCain, as well as your own U.S. representative, senators and President Clinton. Tell them you want campaign finance reform that will restore accountability and integrity to federal elections and the government. And while you're at it, tell them you'd like the right to climb Mount Rushmore—without giving Tom Daschle $5,000 of your hard-earned money.

Mr. FEINGOLD. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 9 minutes remaining.

Mr. FEINGOLD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum with the time being charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, at this time I yield such time as he requires to the leader on this issue, the senior Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. I thank the Senator from Wisconsin.

May I ask, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Arizona has 8 minutes 48 seconds; the Senator from Kentucky controls 7 minutes 13 seconds.

Mr. McCAIN. Since it is the McCain-Feingold amendment, I ask the Senator from Kentucky if we could close the debate with our comments.

Mr. McCONNELL. I am sorry; I did not hear the Senator from Arizona.

Mr. McCAIN. Since the vote would be on our amendment, it is customary that we, the sponsors of the amendment, be allowed to close the debate. I ask if the Senator from Kentucky would agree that I could have the last 5 minutes before the vote.

Mr. McCONNELL. I have absolutely no problem with that. That is perfectly acceptable.

Mr. McCAIN. Does the Senator from Kentucky want to proceed now?

Mr. McCONNELL. Yes. Would you like me to go on to wrap up?

Mr. McCAIN. Yes.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. I am happy to accommodate the Senator from Arizona.

Mr. President, I think we have had a very important and useful debate. In many ways it has gone on for the last 10 years in various forms. Prior to 1995, it was the Mitchell-Boren bill. There have been several changes over the years, but fundamentally the issue is this: Do we think we have too much political discourse in this country?

I would argue, Mr. President, that we do not have any problems in this country related to too much political discussion. The Supreme Court has made it quite clear that in order to effectively discuss issues in this country, one must have access to money, and, frankly, that should not be a shocking concept to anyone going all the way back to the beginning of our country when anonymous pamphlets were passed out supporting the American Revolution. Somebody paid for those.

Virtually any undertaking, whether it is raising money for Common Cause so that they can get their message out or raising money for a campaign so that it can get its message out or raising money for a political party so it can get its message out or by some group that wants to be critical of any of us up to and including the time just prior to an election, the Supreme Court has appropriately recognized that in order to have effective speech you have to be able to amplify your voice. That is not a new concept. It has been around since the beginning of the country.

So the fundamental issue, Mr. President, is this: Do we have too much political discourse in this country? I would argue that we clearly do not. The political discussion has increased in recent years for several reasons. No. 1, the effective means of communication costs more—nobody has capped inflation in the broadcast industry—and, No. 2, the stakes have been large.

The Congress was for many years sort of a wholly owned subsidiary of the folks on the other side of the aisle. But since 1994 it has been a good deal more competitive, so the voices have been louder. We had a robust election in 1996 about the future of the country, and a good deal of discussion occurred. But even then, Mr. President, that discussion, converted to money and compared to other forms of consumer consumption, if you will, in this country, was minuscule. One percent of all the commercials in America in 1996 were about politics. So it seems to me, Mr. President, by any standard, we are not discussing these issues too much.

The other side of the issue that must be addressed is, assuming it were desirable to restrict this discussion, is that a good idea? In order to do that, Mr. President, you have to have a Federal agency essentially trying to control not only the quantity but the quality of discourse in our country.

The Supreme Court has already made it quite clear that it is impermissible for the Government to control either the quantity or the quality of our political discussion in this country.

So this kind of regulatory approach to speech is clearly something the courts are not going to uphold. Nor should the Senate uphold that approach. Fundamentally that is the difference between the two sides on this issue.

Do we think there is too much speech? Or do we think there is too little? Do we think it is appropriate for the Government to regulate this speech? Or do we think it is constitutionally impermissible? That is the core debate here, Mr. President.

McCain-Feingold, in its most recent form, upon which we will be voting on a motion to table here shortly, in my view, clearly goes in the regulatory direction. It is based on the notion that there is too much political discussion in this country by parties and by groups.

Mr. President, the political parties do not exist for any other reason than to engage in political discussion. They financed issue advocacy ads with non-Federal money. The pejorative term for that is ''soft money,'' but it should not be a pejorative thing. The national political parties get involved in State elections, local elections. They need to be there to protect their candidates if they are attacked by the issue ads of someone else.

All of this is constitutionally protected speech. Obviously, we do not like it when they are saying something against us. We applaud it when somebody is trying to help us. But the problem is not too much discussion, Mr. President. America is not going to get in trouble because of too much discussion.

In fact, we have killed this kind of proposal now for 10 years. It is unrelated to the popularity of Congress. Congress is currently sitting on a 55 to 60 percent approval rating, the highest approval rating in the last 25 years. It achieved that approval rating in spite of the fact that this issue was not approved last year, nor the year before, and, Mr. President, I am confident will not be approved this afternoon.

So when a motion to table is made, I hope that the majority of the Senate will support a motion to table McCain-Feingold.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. In a moment, I will yield to the senior Senator from Arizona. But before I do, let me make clear what we are tabling here today if we table the McCain-Feingold amendment.

The other side would have us believe it is one narrow aspect of a bill that has to do with certain aspects of express advocacy and independent advocacy. Surely, that is part of the bill. But what they don't talk about very much is what else would be tabled. It would involve the tabling of a complete ban on soft money. It would be wiping out the opportunity for this Congress to have a ban on soft money. What that means is they are also tabling a concept that has been endorsed by over 100 former Members of Congress who signed a letter to ban soft money.

It is also a denial and tabling of an effort to ban soft money that has been endorsed by people like former Presidents George Bush and Jimmy Carter and Gerald Ford. In addition, if this tabling motion prevails, you will be wiping out provisions that actually lower the provisions that require candidates to report contributions of $50 and over, not just the ones of $200 and over. It would be wiping out provisions that double the penalties for the knowing and willful violations of Federal elections law and tabling the provisions that require full electronic disclosure of campaign contributions to the FEC.

You will be wiping out provisions that require the Federal Elections Commission to make those campaign finance records available on the Internet within 24 hours. You will be wiping out provisions that would stop the practice of Members of Congress using their franking privileges, their mass mailing franking privileges in an election year. Our bill would ban that.

The tabling motion would wipe out the provisions that require a candidate to clearly identify himself or herself on one of these negative ads.

So the fact is this bill has many important provisions. A tabling motion denies the chance to do all of these things. What the opposition has chosen to focus on is merely a few aspects, which I think we are right about, but they completely ignore the many important items of enforcement and disclosure and the banning of soft money the McCain-Feingold bill would achieve.

How much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes 30 seconds.

Mr. FEINGOLD. Mr. President, I yield the remaining time to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, first of all, I want to extend thanks, as is customary at the end of debates such as these, to the majority leader for agreeing to schedule this vote and to the minority leader for all of his help in this effort, Senator DASCHLE, the Democratic leader. I would like to thank Senator MCCONNELL of Kentucky for again conducting the debate, which is distinguished by its lack of rancor and by its adherence to an honest and open difference of opinion, a fundamental difference but one that I believe is strongly held by both Senator MCCONNELL and myself.

As always, I want to thank my dear friend, Senator FEINGOLD, who, in my view, represents the very best in public service. As he and I differ on a broad variety of issues, we have always agreed on the principle of the importance, the integrity, and the honor associated with public service.

Mr. President, since last year, a number of things have been happening since we had votes last September. A very good manifestation of how this system is out of control was contained in the January 17 Congressional Quarterly about the California House race that is taking place.

I will not go into all the details. This was January 17. On March 10 there is an election. It lists noncandidate spending in the California special: Campaign for Working Families, $100,000; Americans for Limited Terms, $90,000; Foundation for Responsible Government, $50,000; Planned Parenthood Action Fund, $40,000; Catholic Alliance, $40,000; California Republican Assembly, $16,000; and the list goes on and on and on.

Millions of dollars are being spent in a House race in California. And you know what, Mr. President? Those funds and those campaigns are not being conducted by the candidates. They are being conducted by organizations that enter into these races that sometimes have no connection with the candidate themselves. And you know they all have one thing in common. They are all negative, Mr. President, they are all negative.

One of the radio ads says, ''Call Bordonaro and tell him you're not buying Planned Parenthood. Tom Bordonaro is the definition of a religious political extremist.'' That came from Planned Parenthood.

The same thing on both sides. You will never see one of these, Mr. President, in a so-called independent campaign that says, ''Vote for our guy or woman. They're very decent and wonderful people.'' Then we wonder why there is the cynicism and the lack of respect for those of us who engage in public service.

Mr. President, since last year there have been several indictments that have come down. One thing I can predict to you with absolute certainty on this floor; there will be more indictments, Mr. President, and there will be more scandals and more indictments and more scandals and more indictments and more people going to prison until we clean up this system. There is too much money washing around. This money makes good people do bad things and bad people do worse things.

I guarantee you, Mr. President, this system is so debasing as it is today that we will see lots of indictments, prison sentences and, frankly, these investigations reaching levels which many of us had never anticipated in the past.

We have also, thanks to our tenacity, gotten a vote. For the first time, Members of the Senate will be on record on campaign finance reform. I have no doubt about what this vote is about. It is on campaign finance reform.

Later, hopefully, we will have a vote on the Snowe amendment, which I think is a compromise which is carefully crafted and one that deserves the support of all of us. I believe that we are closer to the point that I have long espoused and advocated to my friends and colleagues from both sides of this issue. We are closer to the point where all 100 of us agree that the system is broken and needs to be fixed and we need to sit down together and work out the resolution to this terrible problem which is afflicting America, which we can work out in a bipartisan fashion that favors neither one party nor the other.

The American people are demanding it, the American people deserve it, and the American people will get it. Mr. President, we will never give up on this issue because we know we are right in the pursuit of an issue that affects the very fiber of American life and American Government.

Mr. President, I yield the remainder of my time.

Mr. MCCONNELL. I move to table the McCain-Feingold amendment.

The PRESIDING OFFICER (Mr. HAGEL). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1646

The PRESIDING OFFICER. The question is on agreeing to the motion to table the McCain-Feingold amendment numbered 1646.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Iowa (Mr. HARKIN) is necessarily absent.

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 12 Leg.]

YEAS—48

Abraham	Faircloth	Lugar
Allard	Frist	Mack
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brownback	Grassley	Roberts
Burns	Gregg	Roth
Campbell	Hagel	Santorum
Coats	Hatch	Sessions
Cochran	Helms	Shelby
Coverdell	Hutchinson	Smith (NH)
Craig	Hutchison	Smith (OR)
D'Amato	Inhofe	Stevens
DeWine	Kempthorne	Thomas
Domenici	Kyl	Thurmond
Enzi	Lott	Warner

NAYS—51

Akaka	Feingold	Lieberman
Baucus	Feinstein	McCain
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Breaux	Hollings	Murray
Bryan	Inouye	Reed
Bumpers	Jeffords	Reid
Byrd	Johnson	Robb
Chafee	Kennedy	Rockefeller
Cleland	Kerrey	Sarbanes
Collins	Kerry	Snowe
Conrad	Kohl	Specter
Daschle	Landrieu	Thompson
Dodd	Lautenberg	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden

NOT VOTING—1

Harkin

The motion to lay on the table the amendment (No. 1646) was rejected.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 1647

(Purpose: Relating to electioneering communications)

Ms. SNOWE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. JEFFORDS, Mr. LEVIN, Mr. LIEBERMAN, Mr. MCCAIN, Mr. FEINGOLD, Mr. CHAFEE, Ms. COLLINS, and Mr. THOMPSON, proposes an amendment numbered 1647.

Ms. SNOWE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 201 and insert:

Subtitle A—Electioneering Communications

SEC. 200. DISCLOSURE OF ELECTIONEERING COMMUNICATIONS.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) ADDITIONAL STATEMENTS ON ELECTIONEERING COMMUNICATIONS.—

''(1) STATEMENT REQUIRED.—Every person who makes a disbursement for electioneering communications in an aggregate amount in excess of $10,000 during any calendar year shall, within 24 hours of each disclosure date, file with the Commission a statement containing the information described in paragraph (2).

''(2) CONTENTS OF STATEMENT.—Each statement required to be filed under this subsection shall be made under penalty of perjury and shall contain the following information:

''(A) The identification of the person making the disbursement, of any entity sharing or exercising direction or control over the activities of such person, and of the custodian of the books and accounts of the person making the disbursement.

''(B) The State of incorporation and the principal place of business of the person making the disbursement.

''(C) The amount of each disbursement during the period covered by the statement and the identification of the person to whom the disbursement was made.

''(D) The elections to which the electioneering communications pertain and the names (if known) of the candidates identified or to be identified.

''(E) If the disbursements were paid out of a segregated account to which only individuals could contribute the names and addresses of all contributors who contributed an aggregate amount of $500 or more to that account during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(F) If the disbursements were paid out of funds not described in subparagraph (E), the names and addresses of all contributors who contributed an aggregate amount of $500 or more to the organization or any related entity during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(G) Whether or not any electioneering communication is made in coordination, cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee, any political party or committee, or any agent of the candidate, political party, or committee and if so, the identification of any candidate, party, committee, or agent involved.

''(3) ELECTIONEERING COMMUNICATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'electioneering communication' means any broadcast from a television or radio broadcast station which—

''(i) refers to a clearly identified candidate for Federal office;

''(ii) is made (or scheduled to be made) within—

''(I) 60 days before a general, special, or runoff election for such Federal office, or

''(II) 30 days before a primary or preference election, or a convention or caucus of a political party that has authority to nominate a candidate, for such Federal office, and

''(iii) is broadcast from a television or radio broadcast station whose audience includes the electorate for such election, convention, or caucus.

''(B) EXCEPTIONS.—Such term shall not include—

''(i) communications appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political committee, or candidate, or

''(ii) communications which constitute expenditures or independent expenditures under this Act.

''(4) DISCLOSURE DATE.—For purposes of this subsection, the term 'disclosure date' means—

''(A) the first date during any calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000, and

''(B) any other date during such calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000 since the most recent disclosure date for such calendar year.

''(5) CONTRACTS TO DISBURSE.—For purposes of this subsection, a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(6) COORDINATION WITH OTHER REQUIREMENTS.—Any requirement to report under this subsection shall be in addition to any other reporting requirement under this Act.''

SEC. 200A. COORDINATED COMMUNICATIONS AS CONTRIBUTIONS.

Section 315(a)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)(B)) is amended by inserting after clause (ii) the following new clause:

''(iii) if—

''(I) any person makes, or contracts to make, any payment for any electioneering communication (within the meaning of section 304(d)(3)), and

''(II) such payment is coordinated with a candidate for Federal office or an authorized committee of such candidate, a Federal, State, or local political party or committee thereof, or an agent or official of any such candidate, party, or committee.

such payment or contracting shall be treated as a contribution to such candidate and as an expenditure by such candidate; and''.

SEC. 200B. PROHIBITION OF CORPORATE AND LABOR DISBURSEMENTS FOR ELECTIONEERING COMMUNICATIONS.

(a) IN GENERAL.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by inserting ''or for any applicable electioneering communication'' before '', but shall not include''.

(b) APPLICABLE ELECTIONEERING COMMUNICATION.—Section 316 of such Act is amended by adding at the end the following new subsection:

''(c) RULES RELATING TO ELECTIONEERING COMMUNICATIONS.—

''(1) APPLICABLE ELECTIONEERING COMMUNICATION.—For purposes of this section, the term 'applicable electioneering communication' means an electioneering communication (within the meaning of section 304(d)(3)) which is made by—

''(A) any entity to which subsection (a) applies other than a section 501(c)(4) organization, or

''(B) a section 501(c)(4) organization from amounts derived from the conduct of a trade or business or from an entity described in subparagraph (A).

''(2) SPECIAL OPERATING RULES.—For purposes of paragraph (1), the following rules shall apply:

''(A) An electioneering communication shall be treated as made by an entity described in paragraph (1)(A) if—

''(i) the entity described in paragraph (1)(A) directly or indirectly disburses any

amount for any of the costs of the communication; or

''(ii) any amount is disbursed for the communication by a corporation or organization or a State or local political party or committee thereof that receives anything of value from the entity described in paragraph (1)(A), except that this clause shall not apply to any communication the costs of which are defrayed entirely out of a segregated account to which only individuals can contribute.

''(B) A section 501(c)(4) organization that derives amounts from business activities or from any entity described in paragraph (1)(A) shall be considered to have paid for any communication out of such amounts unless such organization paid for the communication out of a segregated account to which only individuals can contribute.

''(3) DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) the term 'section 501(c)(4) organization' means—

''(ii) an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) an organization which has submitted an application to the Internal Revenue Service for determination of its status as an organization described in clause (i); and

''(B) a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(4) COORDINATION WITH INTERNAL REVENUE CODE.—Nothing in this subsection shall be construed to authorize an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 from carrying out any activity which is prohibited under such Code.''

Subtitle B—Independent and Coordinated Expenditures

SEC. 201. DEFINITION OF INDEPENDENT EXPENDITURE.

Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure by a person—

''(A) expressly advocating the election or defeat of a clearly identified candidate; and

''(B) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 1648 TO AMENDMENT NO. 1647

(Purpose: To prohibit new welfare for politicians)

Mr. LOTT. Mr. President, I send an amendment to the desk to the pending Snowe amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1648 to amendment No. 1647.

Mr. LOTT. Mr. President, I ask unanimous consent the amendment be considered as having been read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 200. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

AMENDMENT NO. 1649

(Purpose: To prohibit new welfare for politicians)

Mr. LOTT. Mr. President, I now send a perfecting amendment to the desk to the underlying bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1649.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the language proposed to be stricken in the bill, strike all after the word ''political'' on page 2, line 23, and insert the following: ''party.

SEC. 3. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

Mr. LOTT. I ask for the yeas and nays on my amendment, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1650 TO AMENDMENT NO. 1649

(Purpose: To prohibit new welfare for politicians)

Mr. LOTT. I now send an amendment to the desk to my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1650 to amendment No. 1649.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first word in the pending amendment and insert the following:

SECTION 3. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITIONS.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligations with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligations is specifically and expressly authorized by title III of the Communication Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

MOTION TO COMMIT

Mr. LOTT. I send to the desk a motion to commit the bill to the Commerce Committee with instructions to report back forthwith.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] moves that the Senate commit S. 1663 to the Committee on Commerce, Science and Transportation with instructions that it report back the bill forthwith.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1651

(Purpose: To prohibit new welfare for politicians)

Mr. LOTT. I now send an amendment to the desk to the instructions.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1651 to the motion to commit the bill to committee.

Mr. LOTT. I ask the amendment be considered as having been read.

Mr. FORD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will report.

The legislative clerk read further as follows:

At the end of the instructions add the following:

''with an amendment as follows:

Strike all after the enacting clause and insert the following:

SEC. 1. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.''

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1652 TO AMENDMENT NO. 1651

(Purpose: To prohibit new welfare for politicians)

Mr. LOTT. I now send an amendment to the desk to my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1652 to amendment No. 1651.

In lieu of the matter proposed to be inserted, insert the following:

SEC. 1. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may

be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DASCHLE. Parliamentary inquiry.

Mr. LOTT. I now send a final amendment to my amendment to the desk——

Mr. DASCHLE. What constitutes a sufficient second in this case?

The PRESIDING OFFICER. Does the Senator yield for a parliamentary inquiry?

Mr. LOTT. I yield for a parliamentary inquiry.

Mr. DASCHLE. I appreciate the majority leader's yielding. I ask the Chair, what would constitute a sufficient second, given the number of Senators on the floor currently?

The PRESIDING OFFICER. The Constitution requires one-fifth of those present.

Mr. DASCHLE. Mr. President, I hope we will count carefully, because I think we are getting very close here to whether or not we have a sufficient second. I appreciate the answer of the Chair.

AMENDMENT NO. 1653 TO AMENDMENT NO. 1651

(Purpose: To prohibit new welfare for politicians)

Mr. LOTT. I now send a final amendment to the desk to my amendment. I believe the desk has that amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered No. 1653 to Amendment No. 1651.

Strike all after the word ''section'' in the pending amendment and insert the following:

1. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

Mr. LOTT. Mr. President, for the information of all Senators, the Senate is now in a posture where the tree is filled with respect to the pending campaign finance legislation. Senator MCCAIN has offered his substitute amendment and we have had a very good discussion about the issue prior to the motion to table, and the time for the vote was agreed to and that occurred, of course, at 4 o'clock. The motion to table did fail, although I think we should note that it was the identical vote that we had on this same issue last year.

Now our colleague, Senator SNOWE, has offered her version of paycheck protection to the McCain-Feingold amendment, and I intend to file a cloture motion on that today. However, it is my hope that cloture votes on the Snowe amendment could occur Thursday morning, but after we have had debate tonight. She is prepared, I believe, to talk about her amendment.

There also are a number of Senators who are very interested in talking about the second-degree amendment, or the amendment I offered to her amendment. I know Senator MCCAIN feels very strongly that the FCC should not impose the requirement of free broadcast time. Senator BURNS had indicated he wanted to speak on this. We had been hoping he would be here momentarily, and I am sure he will be, and he will want to speak on that issue, too.

So, after a debate on this issue, we expect to have a time set for a vote. But I will consult with the minority leader and also with the sponsor of the amendment and the second-degree amendment before we announce a time on that.

I ask for the yeas and nays on amendment No. 1647.

The PRESIDING OFFICER. Is there a sufficient second? So ordered.

The yeas and nays were ordered.

Mr. MCCAIN. Will the majority leader yield for a second?

Mr. LOTT. I ask for the yeas and nays on amendment No. 1646.

The PRESIDING OFFICER. It would take unanimous consent to do that. Is there objection?

Mr. DORGAN. Reserving the right to object, what is the request?

The PRESIDING OFFICER. To be able to order the yeas and nays on amendment No. 1646.

Mr. DASCHLE. Did the majority leader ask unanimous consent to do that? In that case, we will be compelled to object.

Mr. MCCAIN. Will the majority leader yield for a question? My understanding of the majority leader's amendment is it would bar the FCC from allocating free television time to candidates. As the majority leader pointed out, that is a position that I share because I believe only the legislative and executive branch should be responsible for what basically changes the entire electoral system in this country.

But my question to the majority leader is that, following disposition of his amendment, either through tabling or up-or-down vote, would the majority leader be amenable to a unanimous consent request that Senator SNOWE's amendment be taken up without amendment, so that the Senate can vote on this issue?

Mr. LOTT. Let me discuss this with you, Senator MCCAIN, and with Senator SNOWE. I want to make sure we had considered all of the ramifications to that. I think probably the answer may be yes, but I would like to make sure we have had a chance to talk it through. I am not making a commitment at this point.

I think it is important that we have a full discussion on the FCC effort and we have a full discussion on our amendment. That will give us time. I presume she is not interested in having a vote this afternoon, so we will have some time tonight to talk about that and then tomorrow, after the funeral services for Senator Ribicoff, and then after the vote on the military construction appropriations bill, we will come back to this issue around, I guess, 3:30. Then, hopefully, we will have a vote sometime tomorrow afternoon, probably around this time or a little earlier. We will talk about what order that would be in prior to that.

Mr. MCCAIN. If the majority leader will further yield, I thank him for that consideration. I do believe, obviously, that we should have a vote on the Snowe amendment, and I appreciate his consideration of it. Of course, whether we were going to have a vote on the Snowe amendment would obviously dictate my vote and, I think, that of some of my colleagues, including those on the other side of the aisle who may share our view concerning whether the FCC should be deciding these things or not. Because, if it serves just to kill our ability to vote on the Snowe amendment, then obviously that may not be something that I would want to support. But I appreciate the majority leader's consideration.

Mr. LOTT. I agree with the chairman of the committee. I feel very strongly the FCC should not be doing this. I would like to inquire, does the chairman of the committee intend to have some hearings on this and maybe move this as an amendment or as a part of another bill at some point? Perhaps this year?

Mr. MCCAIN. I would hope so. As you know, the majority leader knows I am loath—loath—to determine policy issues on appropriations bills. But on occasion there might be some exception made to my absolute opposition to any authorization on appropriations bills, because I feel this is a very important issue. I thank the majority leader.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senate minority leader.

Mr. DASCHLE. I file two cloture motions, one on the McCain-Feingold amendment and then on the Snowe—first on Snowe and then on McCain.

CLOTURE MOTION

Mr. DASCHLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Snowe amendment:

Edward M. Kennedy, Daniel Inouye, Byron Dorgan, Max Cleland, Russell D. Feingold, Ernest F. Hollings, Daniel K. Akaka, Wendell Ford, Patrick J. Leahy, Christopher J. Dodd, Jack Reed, Patty Murray, Robert Torricelli, Barbara Boxer, Ron Wyden, Carol Moseley-Braun, Kent Conrad, and Jeff Bingaman.

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the McCain-Feingold amendment:

Russell D. Feingold, Paul Wellstone, J. Lieberman, Richard J. Durban, Tim Johnson, Edward M. Kennedy, Byron L. Dorgan, Barbara A. Mikulski, Daniel K. Akaka, Jay Rockefeller, Dale Bumpers, Wendell H. Ford, John Breaux, J.R. Kerrey, Ernest F. Hollings, Daniel Moynihan, Patty Murray, Carol Moseley-Braun, and Max Cleland.

Mr. DASCHLE. Mr. President, here we go again. I thought that we had an understanding about the opportunity that we would be presented to have a good debate. In fact, I am going to go back to the RECORD and check, but I am quite sure that there was some understanding that there would not be any need to fill trees and to prevent open and free debate, because we saw what happened the last time we tried this. It locked up the Senate for weeks on end with absolutely no result.

I would ask my colleagues, what are you afraid of here? Why are our colleagues on the other side not willing to allow this body to work its will? Why is the majority party filibustering legislation that the majority of Senators supports?

Mr. President, I am disappointed and frustrated. I am prepared to take this to whatever length is required to bring it to a successful resolution this week, next week, at some point in the future. We have a lot of work to do here, and I want to work with the majority leader to find a way to accomplish all that must be done. But I can't think of a better way to slow progress, to stop progress, to preclude us from getting our work done than to deny this body the opportunity to have a good debate and some votes on this important issue.

I must say, it is, again, a reminder to the Democratic caucus that when we enter into these agreements, we better check the writing, we better check the specifics, we better ensure we have a clear understanding of what the agreement is.

There was a colloquy just a moment ago about whether or not we could have an up-or-down vote on the Snowe amendment. Clearly, with this scenario, there is no way you can have an up-or-down vote on the Snowe amendment. This is a tree so loaded that the branches are breaking. And so I suppose I could dream someday of drafting a scenario that would allow us to get to the amendment of the Senator from Maine. It ain't going to happen. With the tree as filled as it is right now, there is no way there will be a vote on the Snowe amendment.

I note, and the majority leader even noted, that there is maybe another option, another route, another bill, maybe, as the Senator from Arizona suggested, an appropriations bill. I suspect that this loaded tree will provide both sides with ample opportunity to offer amendments and bills to other amendments, and with a limited period of time, we all know what that means. But if those are the cards we are dealt, I am prepared to accept that as the circumstance and deal with it.

It is really amazing to me that there are those in the Senate who profess to support a process by which we can accomplish all of our legislative goals, but then continue to put obstacles in the path of resolution to the objectives in reaching those goals.

So, I am disappointed and, frankly, somewhat amazed that we have not learned our lessons of the past. But so be it, the tree is filled, the opportunities will be there, either this week, next week, the week after, but they will be there, just as they were last fall.

Mr. DORGAN. Will the Senator yield for a question?

Mr. DASCHLE. I will be happy to yield to the Senator from North Dakota.

Mr. DORGAN. I thank the minority leader for yielding for a question. So that those who watch these proceedings and listen to these proceedings understand, is it not the case that a procedure, a rarely used procedure until recently, has been used today that is designed to block legislation, that creates shackles and handcuffs designed in a way to lock the legislation up so it can't move?

We were, as I recall, promised some long while ago that we would be able to consider campaign finance reform legislation on the floor of the Senate. So, a date was set, a time for a vote was set, and the legislation came to the floor of the Senate, at which time we discover that, although we have a first vote on a tabling motion, following that vote, this procedure, throughout its history always used to block legislation, is immediately employed.

The implication of that, I guess, is that there is not a desire to proceed to consider, fully consider campaign finance reform. Many in this Chamber have other amendments they wish to offer, have considered and have votes on. It appears to me that the procedure now employed by the majority leader is to say, ''Yes, I brought it to the floor; yes, you had one tabling vote, and from now on we will do it the way I want to do it.'' As the Senator from South Dakota said, the majority leader expressed, ''I filled up the tree and we will allow only amendments that I will allow in the future.'' It seems to me that is not an approach that is designed to allow consideration of campaign finance reform.

I ask the Senator from South Dakota, was it your understanding when we had an agreement on this issue that campaign finance reform would be brought to the floor of the Senate for a debate and for the opportunity to offer amendments and to consider fully and have votes on issues related to that subject?

Mr. DASCHLE. The Senator from North Dakota is absolutely correct. I think we can all go back and look through the RECORD and, again, as I say, we have to look at the meaning of each word in these agreements with perhaps greater skepticism. This idea of filling the tree is great short-term strategy. It has a horrible long-term effect, long-term effect on the comity of the of the Senate, long-term effect on getting legislation accomplished.

So we are compelled, once again, to use the techniques and methods we have used in the past. It is very likely that we will be relegated to using them again in the future.

The Senator is right, clearly we had an understanding that we would have an opportunity to debate issues, to offer amendments and ultimately to resolve this issue. We have been denied that as a result of the actions taken just now, and I deeply regret it.

Mr. WELLSTONE. Will the minority leader yield for one moment?

Mr. DASCHLE. I will be happy to yield to the Senator.

Mr. WELLSTONE. It will take me only a few seconds. Since this is an effort to basically choke off debate and deny us an opportunity to present amendments—many of us worked on this for years and care fiercely about it and many of the people in the country do. The minority leader understands and certainly realizes that on any bill that comes up forthwith, it would be our right to come back with these amendments, is that correct?

Mr. DASCHLE. The Senator from Minnesota is absolutely right. We will have the opportunity on countless occasions over the course of the next 10 months to revisit this issue, which obviously we will be in a position to do and be prepared to begin at some point either this week or next week. But we will certainly pursue this in other ways.

Mr. WELLSTONE. I thank the leader, because I very much want to do that. We have a right to continue to do this and if we are serious about it, we will fight for it, and we can bring amendments out over and over and over again, is that correct?

Mr. DASCHLE. That is correct.

Mr. KERRY. Mr. President, will the leader yield for a question?

Mr. DASCHLE. I will be happy to yield to the Senator from Massachusetts.

Mr. KERRY. I ask the leader, referring back to the October 30, 1997, CONGRESSIONAL RECORD, reading from the language of the leader himself, he said:

This is not better—

Referring to the agreement—

This is not better necessarily for Democrats or Republicans. But in our view, this is a very big victory for the country. This will give us an opportunity to have a good debate as we have discussed.

And then going on further, the minority leader said:

I expect a full-fledged debate with plenty of opportunity to offer amendments. Given this agreement, now I have every assurance and confidence that will happen.

I recall, having been part of the discussion and referring back to Senator LOTT's request, Senator LOTT said:

I further ask that if the amendment—

Referring to Senator MCCAIN's amendment—

is not tabled . . . the underlying bill will be open to further amendments, debates and motions.

There was a clear understanding, if I am correct, and I ask the leader if there was not a clear understanding, that while the Republicans retained the right to filibuster, they would not fill up the tree and they would not deny the Senate the right to have the opportunity to debate and have a series of votes on the substantive issues, but that there would be a distinct opportunity for both sides to be able to amend and follow this debate? Is that the minority leader's understanding, and is that a correct reference to the language that he relied on at that time?

Mr. DASCHLE. There is no doubt about it. Again, Senator LOTT, and I quote a comment he made to reporters that very day, said: ''As far as I can tell at this point, amendments would certainly be in order, would be considered, they might be second-degreed and they certainly would be given a third degree.''

There is no question that we had the clear understanding that there would be an opportunity to have a good debate, offer amendments, have them voted upon and ultimately dispose of this issue.

So I am really disappointed we have not been able to reach that point in this debate to date, and this, in my view, is not what we had agreed to last fall.

Mr. KERRY. I thank the minority leader. I simply express on behalf of all of us I think who had an anticipation of an opportunity to bring a number of amendments that this is a setback for the Senate and it is clearly a setback for all those in the country who thought the Senate could approach the issue of reform responsibly.

When we talk about filling the tree here, for a lot of people who listen to these debates and don't know what that means, under the rules of the Senate, we are given an opportunity to be able to bring up an amendment according to the rules. But according to the rules, the majority leader has the opportunity of right of recognition to take up all of the options that the rules allow in order to bring up amendments. By doing that, he can choose to deny any other opportunity for an amendment.

That is precisely what the majority leader has chosen to do here. When we say he has filled up the tree, he has denied the Senate the opportunity to be able to bring amendments in order to be able to work the legislative process as people sent us here to do.

I think what he has asked for is a long process of delay. He has initiated gridlock in the U.S. Senate again, solely to protect a certain group of narrow vested interests represented in this campaign finance debate. It is very, very clear as of today, there are a majority of the U.S. Senate prepared to vote for campaign finance reform. There is a minority that is trying to stop it. They have that right, but they also, I hope, will be subject to the judgment of the American people who will recognize who is for campaign finance reform and who is against it. I thank the leader.

Mr. DASCHLE. Mr. President, I yield to the Senator from North Dakota.

Mr. DORGAN. For one additional question. I mentioned in my initial question to the Senator from South Dakota, this is a rarely used approach. It is true that this approach has been used by the majority leader a couple of times last year, but in history, it has been rarely used in the Senate. And the reason is, it is almost exclusively used to block legislation, but it is never successful, because you can block someone by tying legislation up in chains and shackles now and preventing anybody from offering an amendment, but you can't prevent that forever. You have to bring legislation to the floor of the Senate at some point which, according to the rules of the Senate, will allow another Senator to stand up and offer an amendment to such legislation.

In my judgment, this is very counterproductive. Some in this Chamber want to dig their heels in and say, ''Notwithstanding what the majority wants to do in this Chamber, we intend to block campaign finance reform.'' You can block the right of Members to offer amendments now if you use this rarely used procedure, but you can't block people here forever from doing what we want to do, and that is have a full and good debate on campaign finance reform, offer amendments and have votes on those amendments.

I don't think the American people are going to be denied on this issue. The American people know this system is broken, it needs fixing, and they want this Congress and this Senate to do something about it. We can temporarily tie it up in these legislative chains, but that is not going to last forever, and I think that simply delays the final consideration of this issue.

Mr. DASCHLE. I thank the Senator from North Dakota for his comments, and I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, if I may, I listened with great interest to the comments of the Democratic leader and others on that side of the aisle. Point No. 1 should be crystal clear to everyone who has followed this debate. Forty-eight Senators are not in favor of this measure.

In the Senate, as we know in recent years, every issue of any controversy requires 60 votes. So it is not at all unusual when an issue cannot achieve 60 votes for it not to go forward. That is the norm around here.

Point 2. It does not make any difference in what context the issue comes up. There are 48 people in the Senate who are not willing to vote for this measure either on cloture or on a motion to table. So it isn't going to pass. It is not going to pass today, not tomorrow, not 3 months from now, not 5 months from now. We can decide whether we want to waste the Senate's time on an issue that is not going to pass. But it is clearly a waste of time.

With regard to how unusual it is to fill up the tree, let me just mention that when Senator Mitchell was majority leader in the 103d Congress, he filled up the tree on February 4, 1993; February 24, 1993; January 31, 1994; May 10, 1994; May 18, 1994; June 9, 1994; June 14, 1994; June 14, 1994; and August 18, 1994. Those are nine occasions, Mr. President, when Senator Mitchell, during the 103d Congress, nine occasions in which Senator Mitchell filled up the tree. This is not exactly uncommon. It is not a routine everyday activity, but it certainly is not uncommon.

In 1977, Jimmy Carter's energy deregulation bill, Senator BYRD was the leader and he filled up the amendment tree.

In 1984, in the Grove City case, Senator BYRD was in the minority, and he filled up the tree.

In 1985, the budget resolution, Senator Dole was the majority leader, and he filled up the tree.

In 1988, campaign finance—it has been around for a while—Senator BYRD filled up the tree, and there were eight cloture votes.

In 1993, there was an emergency supplemental appropriations bill, the so-called stimulus bill. Senator BYRD filled up the tree.

Let me say that it is not an everyday action but it is not uncommon for majority leaders to fill up the tree. What is fairly unusual is for the minorities to file cloture motions. Not common, typically done by the majority. And the only cloture motions we have at the desk at the moment are by the minority.

But the fundamental point is this, Mr. President. There are not enough votes in the Senate to pass this kind of measure. Consequently, it isn't going to happen. That is the way the process works around here. And we can waste a whole lot of time having repetitive

votes. The 48 votes that were cast in favor of the motion to table were the same 48 votes that were cast against cloture in October. And it will be the same 48 votes that will be cast whether it is a motion to table or a motion to invoke cloture no matter how many times it is offered. So who is wasting the people's time here? It is certainly not the majority.

The majority leader sets the agenda. He is anxious to move on to issues that people care about that will make a difference to this country. And clearly, any way you interpret what had happened last October and here in February, there are not enough votes to pass this kind of campaign finance reform.

So, Mr. President, I just wanted to set the record straight with regard to how unusual it is for a majority leader to fill up the tree and to make the point that the 48 votes that were cast in favor of the motion to table today were the same 48 votes cast against the cloture motion back in October. This is a high water mark in the 10 years I have handled this debate. And 48 votes is the best we have ever done. This measure simply isn't going to pass.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, in response to the Senator from Kentucky, let me say the point still stands. I ask the Senator from Kentucky to do a little research and tell me whether in all of those instances, where he described the so-called filling of the tree, whether someone came to the floor of the Senate and tried to fill the legislative tree or create a set of chains beyond which the Senate could not work before filing a cloture motion and allowing the votes on amendments on an issue. I do not think he will find that circumstance existed.

He pointed out a number of occasions when the legislative approach was used. I said it is rarely used. I stand by that. But it is almost never used in a circumstance where prior to a cloture vote and prior to allowing amendments to be offered and voted, someone comes out here and ties the legislative system up with these chains and shackles. That has not been the case. And so we ought not to suggest this is some normal procedure that has been used on occasion over the years by both sides.

The point I make is this. This is not a partisan issue. There are Republicans that support campaign finance reform and Democrats who support campaign finance reform. In fact, there is a majority of the Members of this body that support campaign finance reform and if we can have a vote up or down on final passage in some reasonable form on campaign finance reform, it is going to pass. It is what the American people want and it is what this Congress ought to do.

The Senator from Kentucky appropriately said that there is a 60-vote issue in the Senate. And I understand that. That is what the rules provide. But it is extraordinary and it is unusual before a vote on cloture or vote on amendments with the exception of one for somebody to come out and say we are going to tie this whole system up and we are going to use a procedure that is always used to block legislation.

I say, we ought to let the American people have their day on the floor of the Senate. And their day is a day in which the Senate recognizes that this system needs reforming, this system needs changing. And if we debate between Republicans and Democrats and find a set of proposals, starting with McCain-Feingold, which I support, concluding perhaps with Snowe-Jeffords, which I also will support, and perhaps with some additional amendments, we will, I think, find an approach for campaign finance reform that, while not perfect, certainly does improve campaign finance in this country.

You cannot, in my judgment, stand here today and say, ''Gee, the current system works really well. This is really a good system.'' The genesis of this system starts in 1974, with the campaign finance reform legislation in 1974. The system has been changed somewhat over the years by virtue of court decisions and rule changes, and also by some of the smartest legal minds in our country trying to figure out how you get campaign money under the door and over the transom and into the campaign finance system. The rules have now been mangled and distorted so badly that the system just does not work.

And if you have a system that is not working, it seems to me our responsibility is to say: Let's fix it. And, by the way, despite many attempts to muddy the waters on this, we are not saying: Let's fix it in a way that denies anyone a voice in this system or attempts to shut anyone down or any group down.

The McCain-Feingold bill, in my judgment, is a very reasonable approach to addressing the abuses and the problems in the current campaign finance system.

The Snowe-Jeffords proposal, which I will support, is one that falls short of what I would like—I would like to expand its reach, and prefer the issue advocacy approach in the original McCain-Feingold.

Senator SNOWE is on the floor and prepared to speak to that amendment. Will her proposal advance us towards a better system? Yes, it will. So let us decide that we can be more than just roadblocks. I mean, the easiest thing in the world is to be a roadblock to something. I think it was Mark Twain who once said, when he was asked if he would be willing to debate an issue, ''Of course, providing I'm on the negative side.''

They said, ''You don't even know the subject.''

He said, ''It doesn't matter. It doesn't take any time to prepare for the negative side.''

It is always easy to be against something.

So I hope, as we go along, the majority leader and others will think better of a strategy that says we allowed you to bring it to the floor, but we are not going to allow a full and free debate and votes on amendments. I hope he will think better of that, because there isn't a way, in the long run, to shut off our opportunity to thoughtfully consider this legislation, and to prevent our ability to offer amendments.

Mr. President, I yield the floor.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Thank you, Mr. President.

AMENDMENT NO. 1647

Ms. SNOWE. Mr. President, I rise today to offer an amendment on behalf of myself and Senator JEFFORDS, along with a bipartisan group of colleagues—Senator MCCAIN, Senator FEINGOLD, Senator LEVIN, Senator LIEBERMAN, Senator CHAFEE, Senator COLLINS, Senator THOMPSON, which I believe represents a commonsense middle-ground approach to reforming our campaign financing system in America.

As I think our colleagues know, I have long been a proponent of fair, meaningful changes in the way campaigns are financed in this country. That is why, when this issue came to the floor last year, I worked with Senators MCCAIN, JEFFORDS, FEINGOLD, Senator DASCHLE, and others, to try to forge a compromise that would address the concerns of both sides and move the debate forward. I said then on the Senate floor, and say again today, that we should be putting our heads together, not building walls between us with intractable rhetoric and all-or-nothing propositions.

While that effort was not successful, I am pleased that we are again having the opportunity to address campaign reform, and I thank the distinguished majority leader for making this possible. I also want to thank the bill's sponsors—Senators MCCAIN and FEINGOLD—for their continued leadership and determination on this issue, and their support of the efforts that are being done here today with Senator JEFFORDS and myself.

I want to acknowledge the hard work of my colleagues who are committing themselves to this compromise amendment and have committed themselves to moving campaign finance reform forward: Senators LEVIN, CHAFEE, LIEBERMAN, THOMPSON, COLLINS, BREAUX, and SPECTER have worked very hard with us on crafting this amendment. They have made clear their support for meaningful reform this year.

Last year, this body became stuck in the mire of all-or-nothing propositions and intransigence. We missed an opportunity to coalesce around a middle

ground—any middle ground—and the result was that the status quo remained alive and well. Despite the efforts of some of us who tried to work to forge a compromise that would have moved the debate forward, campaign finance reform died a quiet and ignoble death here in the U.S. Senate.

The reasons are many but the central issue then, as now, centered on the objection of Republicans to a package that does not address the issue of protecting union members from having their dues used without their permission for political purposes with which they may disagree, and the objection of Democrats to singling out unions while not providing similar protections for corporation shareholders.

Let me say that I am among those Republicans who have had a concern about the use of union dues for political purposes and, in fact, the campaign finance reform bill that I introduced last year included language similar to the Paycheck Protection Act. I happen to think it is not a bad idea, and in a perfect world where I could get my way on this and still pass meaningful reform, I would support it.

But the fact is, I believe we can still have fair and meaningful reform at the same time we take a step back from this incredibly divisive issue. In fact, it is probably the only way we can have such reform. The bottom line is, we will never pass campaign finance legislation—at least in the foreseeable future—if we take an all-or-nothing approach on this facet of reform. And I believe that we can and must make significant changes that may not be perfect, that may not make everyone happy, but which will be a great improvement over the current morass we find ourselves in.

If we do nothing, we will see a repeat—or likely an even worse scenario—of what we saw in 1996, which confirmed all the reasons why it is imperative to be strong proponents of campaign finance reform. We saw over $223.4 million in soft money raised by the two national parties—three times more than in the last Presidential election. We saw more than $150 million—we do not know the precise amount because it is not disclosed—spent on attack ads paid with unlimited funds by third-party groups that made candidates largely incidental to their own campaigns.

We saw an electorate that was, to put it bluntly, disgusted by the spectacle. And the 1996 elections were barely over when allegations were made of illegal and improper activities, centered around the issues of so-called ''soft money'' and foreign influence peddling through campaign contributions, all egregious abuses highlighted by the Senate Governmental Affairs hearings.

All of this has only served to further undermine public confidence and underscore the importance of enacting meaningful and achievable campaign finance reform this year.

I believe that S. 25 is a good start, and I commend Senators MCCAIN and FEINGOLD for their tenacity in getting this bill to the Senate floor once again. One of the most important aspects of this scaled-back version of the original bill is its ban on soft money. We all know that soft money is becoming a major issue, and for good reason. It is money that circumvents the intent of the law—unaccounted for money which influences Federal campaigns above and beyond the intended limits.

S. 25 takes a tremendous step forward by putting an end to national party soft money, as well as codifying the so-called Beck decision, making prudent disclosure reforms, tightening coordinating definitions, and working to level the playing field for candidates facing opponents with vast personal wealth to spend in their own campaigns.

Do I think this is a perfect bill? No. Are there other things I would like included? Of course. Do I think it can be improved? Certainly. That is why I have again teamed up with my colleague from Vermont, Senator JEFFORDS, to work with the sponsors of this legislation, Senators MCCAIN and FEINGOLD and others, in a fresh approach developed by noted experts and reformers, including Norm Ornstein, Dan Ortiz of the University of Virginia School of Law, Josh Rosenkranz at the Brennan Center for Justice at NYU, as well as others. They developed a proposal to address the exploding use of unregulated and undisclosed advertising that affects Federal elections and the concerns of many that the intent of S. 25 to address this issue would not withstand or survive court scrutiny.

Therefore, the amendment that my colleague from Vermont and I are offering will fundamentally change the way in which the underlying bill addresses this issue. It strikes section 201 of title II, which redefines express advocacy and replaces it with the language that we have offered in our amendment that makes a clearly defined distinction between issue advocacy and influencing a Federal election. In other words, we are making a distinction between candidate advocacy and issue advocacy. This is important because, if the courts rule the efforts of S. 25 to address this distinction as unconstitutional, then essentially all that will remain from S. 25 is a ban on soft money. If that happens, we will be left with only one-half of the equation. I share the concerns of those who want to see balanced reform and who want to improve the system.

Our amendment applies to advertisements that constitute the most blatant form of electioneering. The chart to my left shows what the Snowe-Jeffords amendment does. It is a straightforward, two-tier approach that only applies to ads run on television or radio—those are the only ads that this amendment addresses—near an election, 60 days before a general election, 30 days before a primary, that identify a Federal candidate, that mentions a Federal candidate in that radio ad or that television ad, and only if the group spends more than $10,000 on such ads in a year. What we require is the sponsors' disclosure and also the donors on such ads because we think it is important that donors who contribute more than $500 to such ads should be disclosed by these organizations.

The amendment also prohibits direct or indirect use of corporation or union money to fund the ads in the 60 days before the general election and 30 days before the primary. We call this new category ''electioneering'' ads—again, making the distinction between issue advocacy and candidate advocacy designed to influence the outcome of a Federal election.

They are the only communications that we address in our amendment, and we define them very narrowly and very clearly. If the ad is not run on television or radio, if the ad is not aired within 30 days of a primary and 60 days before a general election, if the ad doesn't mention a candidate's name or otherwise identify either he or she clearly, if it isn't targeted at the candidate's electorate, or if a group hasn't spent more than $10,000 in that year on these ads, then it is not an electioneering ad. If an item appears in a news story, editorial, commentary, distributed through a broadcast station, it is also not an electioneering ad, plain and simple.

If one does run one of these electioneering ads, two things happen. First, the sponsor must disclose the amount spent and the identity of the contributors who donated more than $500 to the group since January 1 of the previous year. Right now, candidates, as we all well know since we have been candidates, have to disclose campaign contributions over $200. So the threshold and the requirement in this amendment is much higher.

Second, the ad cannot be paid for by funds from a business corporation or labor union in the nonvoluntary contributions such as union dues or corporate treasury funds.

Again, I just want to repeat, these are basically the provisions on what this amendment would do. We have heard a lot of things about what it would do, and I want to make sure that everybody understands. It is very simple, very direct, it is very narrow. The clear and narrow wording of this amendment is important because it passes two critical first amendment doctrines that were at the heart of the Supreme Court's landmark Buckley v. Valeo decision—vagueness and overbreadth.

Vagueness could chill free speech if someone who would otherwise speak chooses not to because the rules aren't clear and they fear running afoul of the law. We agree that free speech should not be chilled, and that is why our rules are clear. Any sponsor will know with certainty if their ad is an electioneering ad. That, again, gets back to when the ad is run and whether or not it mentions a candidate by name.

Overbreadth can unintentionally sweep in a substantial amount of constitutionally protected speech. But our amendment is so narrow that it easily satisfies the Supreme Court's overbreadth concerns. We strictly limit our requirement to ads near an election that identify a candidate or ads that plainly intend to convince voters to vote for or against a particular candidate.

Nothing in the Snowe-Jeffords amendment restricts the right of any advocacy group, labor union, or business corporation from engaging in issue advocacy or urging grassroots communications. If a group were truly interested in only the issues, all they would have to do to avoid our requirements is to run an ad talking about the issues and encouraging people to call their Senators rather than naming them. Indeed, nothing in our amendment prohibits groups like the National Right-to-Life Committee, the Sierra Club, and a host of groups that exist in America from running electioneering ads, either. We just require them to disclose how much they are spending on electioneering ads, who contributes more than $500, and we prohibit them from using union and corporation money during that 60-day period before the general election and 30 days before a primary.

So we create a very narrow standard. Even if the threshold of disclosure is $500, it is not like what it was in the Buckley v. Valeo decision where it was $10. That was broad and it was sweeping, drawing everybody in, and it raised questions in the Court. That is why they struck it down. We are raising a threshold of $500—$300 more than we are required in terms of disclosing our donors.

Both of the basic principles, disclosure and a prohibition on union and corporation treasury funds, not only make sense, they are also on solid, legal footing. As detailed in a letter recently circulated by legal experts Burt Neuborne, professor of law at NYU School of Law; Norm Ornstein; Dan Ortiz; and Josh Rosenkranz, executive director of the Brennan Center, the Supreme Court has made clear that, for constitutional purposes, electioneering is different from other forms of speech. Congress is permitted to demand the sponsor of an electioneering message to disclose the amount spent on the message and the source of funds. Congress may prohibit corporation and labor unions from spending money on electioneering. These legal scholars further state that in Buckley the court declared that the governmental interests that justify disclosure of election-related spending are considerably broader and more palatable than those justifying prohibitions or restrictions on election-related spending.

Disclosure rules, the Court said, enhance the information available to the voting public. That is why we disclose; that is why we are required to disclose; that is why the Congress can require us to disclose; and that is why the Supreme Court has upheld it. Disclosure rules, according to the Supreme Court, are the least restrictive means of curbing the evils of campaign ignorance and of corruption. Our disclosure rules are eminently reasonable.

Second, the Congress has had a long record, which has been upheld, of imposing more strenuous spending restrictions on corporations and labor unions. Corporations have been banned from electioneering since 1907, unions since 1947. As the Supreme Court pointed out in the United States v. UAW, Congress banned corporate and union contributions in order ''to avoid the deleterious influences on Federal elections resulting from the use of money by those who exercise control over large aggregations of capital.'' In 1990 the Supreme Court upheld that rationale, as well.

If anything, we have increased first amendment rights for union members and shareholders, while we maintain the right of labor and corporate management to speak through PACs and raising hard money like other political action committees.

As these legal experts further state, ''The Snowe-Jeffords amendment builds on these bedrock principles, extending current regulations cautiously and only in the areas in which the first amendment protection is at its lowest ebb. It works within the framework of the two contexts—disclosure rules and corporate and union spending—'' which the Supreme Court allows and says we have the broadest discretion when it comes to governmental interest and governmental regulations, as well as corporate and union spending because we have had a century of rulings by the Supreme Court, not to mention Congress, in this issue, ''in which the Supreme Court, as well, has been most tolerant of campaign finance regulations.''

Hearing the debate here today, there have already been misconceptions out there. I think it is important to make very clear what this amendment does not do. I have a chart here to my right that talks about what the Snowe-Jeffords amendment would not do. I think it is important to restate this because there is a lot of information that has been circulated here in the Congress about saying what it would do, from a variety of groups, saying they would not be able to disseminate electioneering communications.

That is not true. It would not prohibit groups like the Sierra Club or the right-to-life or any other group from disseminating electioneering communications. They can send out whatever they want.

It would not prohibit these groups, again, from accepting corporate or labor funds.

It would not require groups like the Sierra Club or right-to-life to create a PAC or other separate entities.

It would not bar or require disclosure of communications by print media, direct mail, voter guides or any other nonbroadcast media because, again, it only applies to TV and radio broadcast 60 days before the election.

It would not affect the ability of any organization to urge grassroots contacts with lawmakers on upcoming votes. They could say, ''Call your Senator.'' They could say, ''Call your Senator on the 1–800 number'' which is a very popular means of advertising today. But if they use the Senator's name 60 days before the election, they have to disclose their donors who donate more than $500.

It does not require invasive disclosure of all donors, because some have said it will require them to release their donors list. Well, we all have to release donors at a certain threshold. We are not requiring everybody to release donors lists. We are saying in a very narrow period, right before the election, those groups who identify candidates in their ads or use a likeness are required to disclose their donors who donate more than $500. That is not invasive. It is not intrusive.

It would not require advance disclosure of full contents of ads. Some have said in some of the material circulated here in Congress that somehow these groups will be required to disclose in advance the contents of their ad. That is not true.

So, it is important to understand what this amendment does as much as in terms of what it does not do. It is a very limiting amendment. That is why it will withstand constitutional scrutiny. That is why it is important for everybody to understand that. So every group can advertise, they can communicate, they can accept money. But in that narrow period of time before the general election, if they target a candidate by identifying them by name—because if they are doing that, it is designed to influence the outcome of the election—that will be upheld by the courts.

We are not saying they can't engage in grassroots activities and communications with their lawmakers who come and vote in Congress. They can urge their Senator or urge their Congressman to vote for or against such and such a bill. It is not affected by this amendment. All we are doing is requiring disclosure. Now that is for a very good reason, as to why we require disclosure, as we will see in the next chart of how much money is being placed in these elections by groups that don't have to disclose $1.

Mr. President, this is a sensitive and reasonable approach to addressing a burgeoning segment of electioneering that is making a mockery of our campaign finance system. That is why it is important to use the 1996 election. It is certainly the one that reflects the most significant changes in campaigns. As is indicated by the two charts behind me—and I am going to describe this because I think it is interesting to show the problem we are facing in elections today, and it will only get worse.

It will only get worse. We haven't seen a declining amount of money in each subsequent election. In fact, the opposite is true, as we well know.

According to the Annenberg Public Policy Center, it shows that $130 million to $150 million was spent on issue ads in the 1996 election. But that is just a guesstimate because they don't disclose. We don't know. It could be far more than that. It could be more than $150 million. That is the best guess, the best estimate anybody can make. Money spent by all candidates, including the President, U.S. Senate and U.S. House, was $400 million. So a third of the ad spending was done on issue ads. A third of all the money that was spent by candidate advertising was spent on issue ads, and they didn't even have to disclose a dime.

Now, something is wrong. Something is wrong with a system where a third of all the money was spent on candidate advertising and not one dime was disclosed in the last election. Do you think this number is going to get worse, or is it going to get better? It is going to get worse.

The chart represents the so-called issue ads in the 1996 elections. Again, according to the Annenberg Public Policy Center of the University of Pennsylvania survey—and it is important to look at this because when you see so-called issue ads, many of them are designed to influence the outcome of an election. It is not talking about legislative outcome. And no one wants to affect issue ads in which a group has a legitimate right and is entitled to discuss issues and run an ad that tells a Senator or a Member of Congress how to vote without identifying them. You must disclose it if their name is mentioned, if you do it 60 days before the election. Interestingly enough, on these so-called issue ads, almost 87 percent referred to an official or a candidate; 87 percent of the so-called issue ads referred to an official or a candidate. Instead of saying, ''Call your Senator,'' or, ''Call your Congressman,'' they identified that official or that candidate by name. That is the big distinction between issue advocacy and candidate advocacy. We do not want to infringe upon the rights of those groups who want to conduct grassroots communications through their membership or through Members of Congress and their elected officials on the issues of true issue advocacy. But now it is becoming candidate advocacy, designed to influence the outcome of a Federal election.

Pure attack in 1996 issue ads. According to the Annenberg survey, 41 percent of those issue ads were ''pure attack''—41 percent; 24 percent, Presidential ads; debates, 15 percent; free time, 8.9 percent; and 36 percent from the news organizations. But 41 percent of the attacks came from what were so-called issue ads. That is the problem that we are facing in the system today.

Now, that is why this amendment Senator JEFFORDS and I are offering requires disclosure. We are not even saying they can't do it. We are saying that 60 days before the election, if they mention a candidate by name, they have to disclose their donors of $500 or more. Now, I know there are some in this body who object to disclosure. But can anyone, with a straight face, tell me that when ads like these clearly cross the line into electioneering—which is a different category—there should not even be disclosure? Candidates, as I said earlier, have to disclose, and as candidates, I could not believe we would not want more disclosure in other areas that affect candidates in elections throughout this country.

So can somebody honestly say that groups that spend millions of dollars in ads near elections that mention specific candidates don't have to disclose anything? Are we prepared to say that we don't even have the right to know who is spending vast sums of money to influence Federal elections? It is interesting to me we had $150 million—it could be more—spent in the last election cycle and we don't even know who donated that money. Yet, 87 percent of those so-called issue ads identified the candidate.

As the letter from the legal scholars that I referenced earlier states:

> The Supreme Court has never held that there is only a single constitutionally permissible route a legislature may take when it defines ''electioneering'' to be regulated or reported. Congress has the power to enact a statute that defines electioneering in a more nuanced manner, as long as its definition adequately addresses the vagueness and overbreadth concerns expressed by the Court.

The letter from these distinguished scholars also says:

> The Supreme Court has made clear that, for constitutional purposes, electioneering is different from other speech (FEC v. Massachusetts Citizens for Life). Congress has the power to enact campaign finance laws that constrain the spending of money on electioneering in a variety of ways . . . (Buckley v. Valeo). Congress is permitted to demand that the sponsor of an electioneering message disclosure the amount spent on the message and the sources of funds. And Congress may prohibit corporations and labor unions from spending money on electioneering. This is black letter constitutional law about which there can be no serious dispute.

Again, these are their words, and these are constitutional experts. These are the words of experts who have made a life of studying these issues.

Mr. President, we have the power and the obligation to put elections and specifically electioneering ads—because that is what this amendment is all about—back into the hands of voluntary, individual contributors. The question before us now is, will we stand foursquare behind reform? Will we support this incremental, reasonable, constitutional approach that gets at some of the core abuses that we have seen in previous elections?

Maybe the question is better stated this way: How can we not support such a reasonable approach? How can we go home and face our constituents, our electorate, and explain that we didn't even want to vote for a measure that would give them the information they need to be informed voters? How can we go home without having voted for a measure that addresses at least some aspect of campaign reform that Americans view as out of control in a sensible and reasonable way?

Let's make no mistake about it; we will pay the price. To those who hide behind the mistaken notion—the doorkeepers of the status quo—that people don't really care, I say that you are making a grave mistake. Yes, some of you may point to studies such as the January poll conducted by the Pew Research Center, which ranked campaign reform 13th on a list of 14 major issues. But let's look at the reason. The report also said that the public's confidence in Congress to write an effective and fair campaign law had declined.

That is a sad commentary. Many Americans have taken campaign finance off of their radar screens simply because they have given up on us. Frankly, it is an embarrassment, Mr. President. That this great body has not come together on some reasonable, incremental reform to move the issue forward is unacceptable. That is why Senator JEFFORDS and I have worked, with a bipartisan group, to change the dynamic in this debate, to address what were some legitimate concerns about some of the issue advocacy provisions of the McCain-Feingold amendment, on some of their restrictions. So this takes a different approach, based on what legal and constitutional experts have said would withstand judicial scrutiny.

We have a chance to remedy this abrogation of our responsibility and, so far, we have failed to address some of the serious inequities and abuses in our campaign finance system. Our amendment would deal simultaneously and in a realistic way with broadcast electioneering messages at the time they have the most impact—which is right before an election, and, as we all know, that is where most of the money is spent in the final analysis—and a clear campaign context. It would provide the electorate with information as to who is running the ads. Isn't that something that everybody is entitled to know when we are seeing $150 million and we don't know who spends that money? Not one penny. In fact, it is probably much more.

Our amendment would reinforce the traditional rules, limiting the role of unions and corporations in elections. I believe that this amendment would move us forward, again, because the courts, as well as Congress, have been able to draw a line on imposing restrictions on certain groups, and it can do so when it comes to unions and corporations because of the preferential benefits that have been accorded to them through the U.S. Congress and by statute in law.

Typical of any compromise, both sides of the aisle have identified aspects of the measure they might not like. But I think that always means that we are on the right track. It is my hope, Mr. President, that this commonsense, incremental approach can be the impetus to passing an improved, balanced and fair S. 25. I sincerely believe that we can and must take a first step toward restoring public confidence and public faith in our campaign finance system. We are the stewards of this great democracy that has been handed down from our forefathers—who would be aghast if they saw the state of campaigning in this country today, I might add—and it is our responsibility to see that it does not disintegrate under the weight of public cynicism and mistrust.

As I said last year, it is the duty of leaders to lead and that means making some difficult choices and doing the right thing. I had hoped that our leaders would have been able to have come together and I had urged last fall that we have a bipartisan group to work out a plan, through the leaders, to come to the floor. That didn't happen. But many of us in the rank and file are working together on a bipartisan basis because we think this issue is important. Not to say that all we are doing is right and perfect; it is not. But it advances the process forward, the issue forward, and it makes substantial improvements on those areas which we have identified to be the most problematic in our campaign finance system today.

I hope that we would not entrench ourselves in the rhetoric of absolutism. Let us not shun progress in the name of perfection. The fact is, improved S. 25 would be a good bill and it would be a good start down the road to putting our elections back into the hands of the American people. I urge my colleagues to join my colleague Senator JEFFORDS and others in bringing this bill out of the shadows of obfuscation and into the light of honest discussion and debate. The American people expect as much and they certainly deserve as much.

Mr. President, I know we will have further discussions on this issue tomorrow before we have a vote on the motion to table. But I urge that each and every Senator give consideration to this amendment—that has been offered by a bipartisan group—that Senator JEFFORDS and I have been working on with others in hopes of moving this debate forward, to change the debate discussion and to show there is an earnestness and willingness to approach this very serious issue; not to set it aside, not to deflect it, not to ignore it, saying it will go away and people will not notice. I happen to think that people will notice. They will notice.

They will be quickly reminded when they see the next election, because more money will be spent, as we see in this $150 million. This number is going to go up and people will be reminded how much they care about this issue. But more important, they will be reminded, if we fail to take action here, of our unwillingness and our failure to take action on this issue.

I suggest to Members that we are embarking on a high-risk strategy by suggesting that somehow we can get away with not addressing this issue. I think that is a very high-risk strategy and I think it is dead wrong.

I hope Members of this Senate will look very carefully at this amendment. There is nothing tricky about it. It is pretty straightforward, in accordance with the decisions that have been rendered by the Court in the past. It is very narrowly drawn, very precisely drawn, requiring disclosure. Because that is where the Court has granted a greater prerogative to the Congress and to the public's right to know, and restrictions only in those areas in which the Court and Congress has ruled in the last century, because we have a right to draw that line when it comes to unions and corporations.

So, I hope that each Member of the Senate will have a chance, over the next 24 hours, to look at this amendment very carefully and to see that it does move in the right direction.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. The distinguished Senator from Maine asks rhetorically who would be opposed to disclosure of group contributions? I would say to my friend from Maine, the Supreme Court would be opposed to it. In the 1958 case of NAACP v. Alabama, the Court ruled definitively on the issue of whether a group could be required to disclose its membership or donor list as a precondition for criticism or discussion of public issues. So the Supreme Court very much is opposed to requiring groups, as a condition of engaging in issue advocacy, constitutionally-protected speech, that they have to disclose their list.

Interestingly enough, two groups that certainly have not been aligned with this Senator on this issue over the years had something to say about that. Public Citizen and the Sierra Club, on the question of disclosure of issue advocacy:

> Top officials in Public Citizen and the Sierra Club Foundation, a separate tax-exempt offshoot of the environmental organization, argued that divulging their donor lists would either give an unfair advantage to competitors or unfairly expose identities of their members.
>
> ''As I am sure you are aware, citizens have a First Amendment right to form organizations to advance their common goals without fear of investigation or harassment.''

That was Joan Claybrook, with whom I have dueled on this issue for a decade, in response to questions about whether or not Public Citizen would be willing to disclose their donor list. Claybrook goes on:

> We respect our members' right to freely and privately associate with others who share their beliefs, and we do not reveal their identities. We will not violate their trust simply to satisfy the curiosity of Congress or the press.
>
> Bruce Hamilton, national conservation director for the Sierra Club Foundation, said [of] donors to the separate Sierra Club's political action committee . . .

Of course they are required to disclose, because they engage in express advocacy. That is part of hard money, part of the Federal campaign system. What Senator SNOWE's amendment is about is issue advocacy, which is an entirely different subject under Supreme Court interpretations; an entirely different subject.

Now, the Sierra Club said with regard to compelling them to disclose their membership as a precondition for engaging in issue advocacy—Hamilton said:

> That is basically saying, ''Turn around and give us your membership . . . . We want public disclosure of the 650,000 members of the Sierra Club, which is a valuable resource, coveted by others, because they can turn around and make their own list.''

The last thing he had to say I find particularly interesting, and knowing the occupant of the Chair is from out West, he might appreciate this. He said:

> It can also be turned around and used against them. We have members in small towns in Wyoming and Alaska (who could by hurt) if word got out that they belong to the Sierra Club.

So I say to my friend from Maine, this is not in a gray area. The Supreme Court has opined on the question of the Government requiring a donor list of groups as a precondition for expressing themselves at any time—close to an election or any other time.

My good friend from Maine also cited a 1990 case, commonly referred to as the Austin case, in support of the notion that, somehow, the Court would sanction this new category of electioneering. The Austin case, I am sure my good friend from Maine knows, had to do with express advocacy, not issue advocacy. In the Austin case, they banned express advocacy by corporate treasurers. That of course has been the law since 1907. That is not anything new. You can't use corporate treasury money to engage in express advocacy of a candidate.

But the definitive case on the issue the Senator from Maine is really talking about, because her amendment deals with issue advocacy, is First National Bank of Boston v. Bellotti in 1978, where the Court held that corporations could fund out of their treasuries—out of their treasuries, issue advocacy.

So, with all due respect to my good friend from Maine, the courts have already ruled on the kind of issues that she is discussing here. No. 1, you can't compel the production of membership lists as a condition to criticize all of us. And, No. 2, issue advocacy cannot be redefined by Congress. The courts have defined what issue advocacy is.

Now, with regard to the opinion of various scholars, let me just say America's expert on the first amendment is

the American Civil Liberties Union, and they wrote me just yesterday, giving their view on the Snowe-Jeffords amendment. Let me read a pertinent part.

We are writing today, however, to set forth our views on an amendment to that bill dealing with controls on issue advocacy which is being sponsored by Senators Snowe and Jeffords. Although that proposal has been characterized as a compromise measure which would replace certain of the more egregious features of the comparable provisions of McCain-Feingold, the Snowe-Jeffords amendment still embodies the kind of unprecedented restraint on issue advocacy that violates bedrock First Amendment principles.

Those time-honored principles were set forth with great clarity in Buckley v. Valeo.

Which we frequently refer to. The ACLU goes on:

First, ''issue advocacy'' is at the core of democracy. In rejecting the claim that issue-oriented speech about incumbent politicians had to be regulated because it might influence public opinion and affect the outcome of elections, the Supreme Court reminded us of the critical relationship between unfettered issue advocacy and healthy democracy. ''Discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of government established by our Constitution.''

Further, the ACLU said:

. . . in an election season, citizens and groups cannot effectively discuss issues if they are barred from discussing candidates who take stands on those issues. ''For the distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest.'' 424 U.S. at 43. If any reference to a candidate in the context of advocacy on an issue rendered the speaker or the speech subject to campaign finance controls, the consequences for First Amendment rights would be intolerable.

Third [the ACLU says] to guard against that, the Court fashioned the critical express advocacy doctrine.

The Court fashioned it. They didn't say, Congress, you can make up something called electioneering. This is not our prerogative. The Court fashioned the critical express advocacy doctrine, which holds that:

Only express advocacy of electoral outcomes may be subject to any form of restraint. Thus, only ''communications that in express terms advocate the election or defeat of a clearly identified candidate'' can be subject to any campaign finance controls.

Express advocacy: Within the Federal Election Campaign Act. Issue advocacy: Outside the Federal Election Campaign Act. That just didn't happen last year. This has been the law since Buckley. Issue advocacy has been around since the beginning of the country.

Finally, and most importantly, all speech which does not in express terms advocate the election or defeat of a clearly identified candidate is totally immune from any regulation;

The ACLU continued:

The Court fashioned the express advocacy doctrine to safeguard issue advocacy from campaign finance controls, even though such advocacy might influence the outcome of an election. The doctrine provides a bright-line, objective test that protects political speech and association by focusing solely on the content of the speaker's words, not the motive in the speaker's mind or the impact on the speaker's audience, or the proximity to an election.

Nor does it matter whether the issue advocacy is communicated on radio or television, in newspapers or magazines, through direct mail or printed pamphlets. What counts for constitutional purposes is not the medium, but the message.

My understanding of the Snowe-Jeffords amendment is that these restrictions only apply to television and radio. But there is no constitutional basis for sort of segmenting out television and radio and saying those kinds of expenditures require the triggering of disclosure, but it's OK to go on and engage in direct mail or presumably telephones or anything other than the broadcast medium. That is in a somehow different category.

By the same token, it is constitutionally irrelevant whether the message costs $100 or $1,000 or $100,000. It is content, not amount, that marks the constitutional boundary for allowable regulation and frees issue advocacy from any impermissible restraint. The control of issue advocacy is simply beyond the pale of legislative authority.

So the Snowe-Jeffords amendment violates these cardinal principles. First, the amendment's new category, which we have not heard before, of electioneering communication is simply old wine in old bottles with a new label. The provision would reach, regulate and control any person, group or organization which spent more than $10,000 in an entire calendar year for any electioneering communications.

The ACLU says that critical term is defined solely as any broadcast communication which refers to any Federal candidate at any time within 60 days before a general or 30 days before a primary election and is primarily intended to be broadcast to the electorate for that election, whatever that means.

The unprecedented provision is an impermissible effort to regulate issue speech which contains not a whisper of express advocacy simply because it refers to a Federal candidate who is more often than not a congressional incumbent during an election season.

The ACLU says the first amendment disables Congress from enacting such a measure regardless of whether the provision includes a monetary threshold, covers only broadcast media, applies only to speech during an election season and employs prohibition or disclosure as its primary regulatory device. It would still cast a pall over grassroots lobbying and advocacy communication by nonpartisan, issue-oriented groups like the ACLU, for example.

It would do so by imposing burdensome, destructive and unprecedented disclosure and organizational requirements and barring use of any organizational funding for such communications if any corporations or unions made any donations to the organization.

Mr. President, I ask unanimous consent to have printed in the RECORD the entire letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ACLU,
WASHINGTON NATIONAL OFFICE,
Washington, DC, February 23, 1998.

DEAR SENATOR: We have shared with you our grave concerns about the different versions of the McCain-Feingold campaign finance bill that have been before the Senate. (See ''Dear Senator'' letter dated February 19, 1998 and enclosure.) For the reasons we have stated previously, the most recent ''pared down'' reincarnation of that bill remains fundamentally flawed, and we continue fully to oppose it.

We are writing today, however, to set forth our views on an amendment to that bill dealing with controls on issue advocacy which is being sponsored by Senators Snowe and Jeffords. Although that proposal has been characterized as a compromise measure which would replace certain of the more egregious features of the comparable provisions of McCain-Feingold, the Snow-Jeffords amendment still embodies the kind of unprecedented restraint on issue advocacy that violates bedrock First Amendment principles.

Those time-honored principles were set forth with great clarity in *Buckley* v. *Valeo*, 424 U.S. 1 (1976) and reaffirmed by numerous Supreme Court and lower court rulings ever since.

First, ''issue advocacy'' is at the core of democracy. In rejecting the claim that issue-oriented speech about incumbent politicians had to be regulated because it might influence public opinion and affect the outcome of elections, the Supreme Court reminded us of the critical relationship between unfettered issue advocacy and healthy democracy. ''Discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of government established by our Constitution.'' 424 U.S. at 14.

Second, in an election season, citizens and groups cannot effectively discuss issues if they are barred from discussing candidates who take stands on those issues. ''For the distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest.'' 424 U.S. at 43. If any reference to a candidate in the context of advocacy on an issue rendered the speaker or the speech subject to campaign finance controls, the consequences for First Amendment rights would be intolerable.

Third, to guard against that, the Court fashioned the critical express advocacy doctrine, which holds that only express advocacy of electoral outcomes may be subject to any form of restraint. Thus, only ''communications that in express terms advocate the election or defeat of a clearly identified candidate'' can be subject to any campaign finance controls.

Finally, and most importantly, all speech which does not in express terms advocate the election or defeat of a clearly identified candidate is totally immune from any regulations; ''So long as persons and groups eschew

expenditures that in express terms advocate the election or defeat of a clearly identified candidate, they are free to spend as much as they want to promote the candidate and his views.'' 424 U.S. at 45.

The Court fashioned the express advocacy doctrine to safeguard issue advocacy from campaign finance controls, even though such advocacy might influence the outcome of an election. The doctrine provides a bright-line, objective test that protects political speech and association by focusing solely on the content of the speaker's words, not the motive in the speaker's mind or the impact on the speaker's audience, or the proximity to an election.

Nor does it matter whether the issue advocacy is communicated on radio or television, in newspapers or magazines, through direct mail or printed pamphlets. What counts for constitutional purposes is not the medium, but the message. By the same token, it is constitutionally irrelevant whether the message costs $100 or $1,000 or $100,000. It is content, not amount, that marks the constitutional boundary of allowable regulation and frees issue advocacy from any impermissible restraint. The control of issue advocacy is simply beyond the pale of legislative authority.

The Snowe-Jeffords amendment violates these cardinal principles.

First, the amendment's new category of ''electioneering communication'' is simply old wine in old bottles with a new label. The provision would reach, regulate and control any person, group or organization which spent more than $10,000, in an entire calendar year, for any ''electioneering communications.'' That critical term is defined solely as any broadcast communication which ''refers to'' any federal candidate, at any time within 60 days before a general or 30 days before a primary election, and ''is primarily intended to be broadcast to the electorate'' for that election, whatever that may mean.

This unprecedented provision is an impermissible effort to regulate issue speech which contains not a whisper of express advocacy, simply because it ''refers to'' a federal candidate—who is more often than not a Congressional incumbent—during an election season. The First Amendment disables Congress from enacting such a measure regardless of whether the provision includes a monetary threshold, covers only broadcast media, applies only to speech during an election season and employs prohibition or disclosure as its primary regulatory device. It would still cast a pall over grass-roots lobbying and advocacy communication by nonpartisan issue-oriented groups like the ACLU. It would do so by imposing burdensome, destructive and unprecedented disclosure and organizational requirements, and barring use of any organizational funding for such communications if any corporations or unions made any donations to the organization. The Snowe-Jeffords amendment would force such groups to choose between abandoning their issue advocacy or dramatically changing their organizational structure and sacrificing their speech and associational rights.

Beyond this new feature, the Snowe-Jeffords amendment simply leaves in place many of the objectionable features of McCain-Feingold that we have criticized previously. One is the unprecedented generic expansion of the definition of ''express advocacy'' applicable to all forms of political communication going forward in all media and occurring all year long. Another are the intrusive new ''coordination'' rules which will be so destructive of the ability of issue organizations to communicate with elected officials on such issues and later communicate to the public in any manner on such issues. And the radically expanded activities encompassed within the new category of ''electioneering communications'' would be subject to those radically expanded coordination restrictions as well. The net result will be to make it virtually impossible for any issue organization to communicate, directly or indirectly, with any politician on any issue and then communicate on that same issue to the public.

All of this will have an exceptionally chilling effect on organized issue advocacy in America by the hundreds and thousands of groups that enormously enrich political debate. The bill flies in the face of well-settled Supreme Court doctrine which is designed to keep campaign finance regulations from ensnaring and overwhelming all political and public speech. And the bill will chill issue discussion of the actions of incumbent officeholders standing for re-election at the very time when it is most vital in a democracy: during an election season. It may be inconvenient for incumbent politicians when groups of citizens spend money to inform the voters about a politician's public stands on controversial issues, like abortion, but it is the essence of free speech and democracy.

In conclusion, the ACLU remains thoroughly opposed to McCain-Feingold. The ACLU continues to believe that the most effective and least constitutionally problematic route to genuine reform is a system of equitable and adequate public financing. While reasonable people may disagree about the proper approaches to campaign finance reform, McCain-Feingold's restraints on issue advocacy raise profound constitutional problems, and nothing in the Snowe-Jeffords amendment cures those fatal First Amendment flaws.

Sincerely,

LAURA W. MURPHY,
Director, ACLU Washington Office.
JOEL GORA,
Dean & Professor of Law, Brooklyn Law School and Counsel to the ACLU.

Mr. McCONNELL. Mr. President, we will discuss this issue further tomorrow. Let me sum it up by saying the courts are clear. The definition of express advocacy has been written into the laws of this country through court decisions. It is clear what issue advocacy is. It is clear that under previous Supreme Court decisions that you cannot compel a group to disclose its donors or membership lists as a condition for expressing themselves on issues in proximity to an election or any other time for that matter.

Mr. President, I will be happy to discuss these issues further tomorrow. With that, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I understand what my good friend from Kentucky is saying, but I remind everyone what the real issue is, and that is elections. We are talking about a system which has developed over the past couple of years which has seriously imposed upon us unfairness as far as candidates are concerned who find themselves faced with ads, and other areas of expression, to change the election. Why would they spend $135 million to $200 million unless it was successful?

Let us get a real-life situation of what we are talking about. I have been in the election process for many, many years, and I know from my own analysis—and I think it probably is carried forward everywhere—that the critical time in an election to make a change in people's minds is the last couple of weeks.

Basically, I find that probably of the electorate, only about 50 percent care enough about elections to even go. That is the average across the country. Of that 50 percent, probably half of them will make up their minds during the last 2 weeks.

So you are out and have a well-planned campaign and everything is coming down to the end. You can go and find out what your opponent has to spend, and you can try to be ready to match that. And then whammo, out of the blue comes all these ads that are supposedly issue ads, but they are obviously pointed at positions that are taken by you saying how horrible they are. So these are within the Snowe-Jeffords amendment.

What can you do about it? You cannot do anything. You cannot even find out who is running them, unless you are lucky and have an inside source in the TV and radio stations to tell you who it is. You cannot find out. There is no disclosure.

The most important part of our amendment is just plain disclosure. If it is far enough in advance, 30 days before a primary and 60 days before a general election, at least you have time to get ready for it. If you know you are going to get all these ads coming, then you can reorder your priorities of spending. You can say, ''Oh, my God, we have all this coming,'' and you never know until it is all over. You are gone. You lose the election and you didn't know. The opposition comes forth with this barrage and you are totally helpless.

What we do is not anywhere near what we would like to do in the sense of protection against this kind of thing, because I am sure they will find ways to get around it and feel they do not have to disclose. But it is so simple.

What is wrong with disclosure? What is wrong, if somebody is going to spend a couple of million bucks in the election against you, with at least knowing what is coming and who it is coming from? That is all we are asking for. We don't say you can't do it. Another thing we do, as explained very well by Senator SNOWE, is deal in a constitutional way with the money coming from the treasuries of corporations or money coming from the treasuries of unions by restricting that even more so they cannot even intervene within that last 30 to 60 days. But there are other ways, through PACs and other ways the money can be brought into the

election process, but it would be disclosed to the FEC and you have the ability to understand what you are going to be facing.

I cannot understand why anybody would be against this amendment. It makes such common sense. It doesn't do anything. It doesn't create anything except it requires people to disclose their intentions and also prohibits the use of the treasuries of the corporations and unions. There is nothing very dramatic about that as a change in the law. I really take serious issue with my good friend, the Senator from Kentucky, on the questions he raised.

Are these ads effective? Yes, I have talked with consultants, and I know one consultant who ran a lot of these ads. Obviously, what they were trying to do was win an election for their person who they were trying to help. No evidence of connection, but the people who wanted the ads sent the money for this purpose to defeat a candidate, and they felt those ads turned around at least five elections that would not have been turned around if it were not for use of these funds with no way for the poor candidate who is facing it to understand who it is, how much money is going to be spent and where it goes.

I want to give real-world situations we are involved with. What is so unfair about being fair and getting full disclosure?

I commend my good friend from Maine with whom I have worked very closely. I must say, this amendment is weaker than I would like to see, but I think we have done all we can do under the Constitution. I commend her for the presentation she has given and for her effort to raise the visibility to the Nation of the serious problems we have with these so-called advocacy or issue ads.

It has been my pleasure to work with her on this important endeavor, and today the Senate has the opportunity to enact real campaign finance reform.

The amendment we offer succeeds where others have failed in bringing the two sides closer to a workable solution. Combined with the underlying McCain-Feingold legislation, this amendment will ensure that all parties are treated equally in the reformed campaign finance structure.

As my record has shown, I have long been a supporter of campaign finance reform. I have sponsored a number of initiatives in the past and have worked actively to enact campaign finance reform. I have been reluctant to cosponsor the McCain-Feingold bill this time around because of my concerns in two areas which I have just been discussing. First, issue ads that have turned into blatant electioneering with no meaningful disclosure of the source of the attack; second, the unfettered spending by unions and corporations to influence the outcome of an election, especially close to elections, without the ability to identify the source.

Disclosure—how in the world can you be against disclosure?

The amendment Senator SNOWE and I are proposing strengthens the McCain-Feingold bill in a fair manner. Maybe too fair. That is the only criticism I can find of it.

Mr. President, the work that Senator SNOWE and I, as well as many other Senators, have done to develop an acceptable compromise is squarely within the goals of those calling for full campaign finance reform. We have been brought to this point by the disillusionment of the electorate. People across this Nation have grown wary of the tenor of campaigns in recent years. This disappointment is reflected in low voter participation and the diminished role of individuals in electing their representatives.

Our efforts to reform the financing of campaigns should begin to reinvigorate people to further participate in our democracy. I am ashamed at the voter turnouts across the Nation. I am a little bit less ashamed of Vermont which has one of the highest, but we all should be working to get fuller participation, closer to 60, 70, 80, 90 percent.

The 1996 election cycle reinforces the desperate situation we face. During this campaign, more than $135 million was spent by outside groups not associated with the candidates' campaigns. These expenditures indicated to the public that our election laws were not being enforced and the system was out of control. Additionally, recent hearings in both the Senate and the House point to the need for serious reform.

Senator SNOWE has clearly outlined the content of our amendment. Our proposal boosts disclosure requirements and tightens expenditures of certain funds in the weeks preceding a primary and general election. The amendment provides disclosure of the funding sources for electioneering communications broadcast within 30 days of a primary or 60 days of a general election.

The measure prohibits labor union or corporation treasury funds from being used for these electioneering broadcast ads 30 days before a primary or 60 days before a general election. These two main provisions should strengthen the efforts put forward by the proponents of reform.

Of equal importance is what this amendment will not do, and that was gone into in very great detail. In fact, we have so many things we will not do that it sometimes concerns me if we have done enough. The amendment will not restrict printed material nor require the text or a copy of a campaign advertisement to be disclosed.

The amendment does not restrict how much money can be spent on ads, nor restrict how much money a group raises. In fact, our amendment clearly protects the constitutional prerogatives while promoting reform in a system badly in need of change. We have taken great care not to violate the important principles of free speech.

In developing the amendment, we have reviewed the seminal cases in this area, particularly the Buckley case. The Supreme Court has been most tolerant in the area of limiting corporate and union spending and enhancing disclosure rules. We also worked to make the requirements sufficiently clear and narrow to overcome unconstitutional claims of vagueness and overbreadth.

I have long believed in Justice Brandeis' statement that ''Sunlight is said to be the best of disinfectants.'' That is what we are looking for here, just a little sunlight on some of the very, very devious types of procedures that are utilized to influence elections.

Discloser of electioneering campaign spending will provide the electorate with information to aid voters in evaluating candidates for Federal office. As we have seen in the last few campaign cycles, ads appear on local stations paid for by groups unknown to the public. These ads reference an identified candidate with the result of influencing the voters. Giving the electorate the information required in our amendment will give the public the facts they need to better evaluate the candidates but, more importantly, evaluate what information they are receiving and whether it is biased or where it came from, to be able to at least check where it came from and make sure it did not come from Indonesia or China or some other place.

Additionally, this disclosure, or disinfectant, as Justice Brandeis puts it, will also help deter actual corruption and help avoid the appearance of corruption that many feel pervades our campaign finance system.

Delivering this information into the public purview will enable candidates, the press, the FEC and interest groups to ensure that Federal campaign finance laws are being obeyed. Our amendment will expose any corruption and help reassure the public that our campaign laws will be followed and enforced.

The amendment will also prohibit corporations and unions from using general treasury funds to pay for electioneering communications in a defined period close to an election.

By treating both corporations and unions similarly, we extend current regulation cautiously and fairly. This prohibition, coupled with the disclosure requirements, will address many of the concerns my colleagues from both sides of the aisle have raised on campaign finance reform proposals. This provision will help satisfy our goal of creating a fair and equitable campaign finance system.

The amendment I am asking my colleagues to support will, hopefully, provide the additional momentum to bring this issue to closure. Although I am optimistic, I am not blind to the uphill battle we face in enacting appropriate change. I am encouraged by the fair and informative and productive debate we have had on campaign reform today. The proposal Senator SNOWE and I are offering, built upon the McCain-Feingold legislation, should become law.

I cannot conceive of how any legitimate objection can be made to the Snowe-Jeffords amendment. It is a step forward to making sure that elections are fair, that the public knows who it is trying to influence the elections, and that they have the right to find out that information.

Mr. President, I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I rise today to make a few comments about at least one amendment that has been offered here this afternoon.

As we work our way through the debate on campaign finance reform and you listen to Senators express themselves in the legal areas, the more one thinks that maybe we have got enough laws in place, maybe it is a matter of enforcing them.

I remind Senators that it was in 1996 when one major party failed to file their FEC report on the date it was supposed to be filed. In fact, it never was filed until after the election was over.

So I would argue that law enforcement probably has as much to do with the problems we see in political campaigns more than anything else. All through this process, we try to pass legislation that would maybe bring political campaigns into the light of public scrutiny. We would try to cap contributions, how much an individual or an organization can contribute to a particular campaign. We would try to cap spending. We would try to establish and make permanent filing dates.

Yet all of them would be to no purpose if we do not enforce them. In fact, we have gone into some approach of asking for free advertising from radio and television based on a faulty assumption, an assumption, if we do something, get something for nothing, we can limit the expenses, thus making it easier for everybody to run for political office.

I would ask those who would advocate such a regulation to offer free television and free radio time, I would ask them, the newspapers and publications, will they be made to offer free space? Will printers lay out people, graphic artists? Will they donate their labor for direct mail and fliers and stickers and, yes, those things that we mail direct to our constituency?

While we are talking about that, would we also write into the same regulation that they may be sent postage free? Should the laborers of the post office, or whoever, be made to do it for nothing? And my answer to that is, of course not.

Radio and television is a unique medium. Some would say it operates on the public airwaves. How public are they? If a radio station or a television station owns a chunk of frequency, do they not own it? They are only given so many hours in a day—like 24—that they can sell time. Once that time has passed, it cannot be recovered or made up later on. Are we asking them to give away their inventory? Are we asking them to pay their production people to dub and to produce? Why are not their expenses the same as any other segment of the American media?

The amendment is nothing more than that the FCC should not advocate or use funds to regulate radio and television stations for free time or free access. It just does not make a lot of sense, especially when broadcasters lead this country in public service, in news and weather and services to a community. Yes, they get paid for the advertising for some of those programs, but basically they are there 24 hours a day, 7 days a week, 52 weeks a year.

Of course, they are being asked to do something for nothing. So I hope in any kind of reform that passes this body, that this amendment to prevent the FCC from requiring radio and television stations to give free advertising space would be a part of that reform.

But bottom line—and I am not a lawyer; never been hinged with that handle—as I listen to the argument, it boils down to, bottom line, the integrity of the folks that are supporting an issue or an individual for political office. It all comes down to that. For if lawyers write this law, it will be lawyers that will figure a way around it. It is a matter merely of enforcing the law.

CLOTURE MOTION

Mr. BURNS. Mr. President, I send a cloture motion to the desk to the pending bill.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1663, the Paycheck Protection Act.

Trent Lott, Mitch McConnell, Wayne Allard, Paul Coverdell, Robert F. Bennett, Larry E. Craig, Rick Santorum, Michael B. Enzi, Jeff Sessions, Slade Gorton, Chuck Hagel, Don Nickles, Gordon H. Smith, Jesse Helms, Conrad Burns, and Lauch Faircloth.

Mr. BURNS. Mr. President, for the information of all Senators, this cloture vote will be the last of three consecutive cloture votes occurring Thursday morning, assuming none of the previous cloture votes is successful. The leadership will notify all Senators as to the time for these votes, once the leader has consulted with the minority leader. However, at this point, I ask unanimous consent that the mandatory quorum under rule XXII be waived with respect to all three cloture motions filed today.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BURNS. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF EXECUTIVE ORDER ORDERING THE SELECTED RESERVE OF THE ARMED FORCES TO ACTIVE DUTY—MESSAGE FROM THE PRESIDENT—PM 97

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services.

To the Congress of the United States:

Pursuant to title 10, United States Code, section 12304, I have authorized the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard, when it is not operating as a Service within the Department of the Navy, to order to active duty Selected Reserve units and individuals not assigned to units to augment the Active components in support of operations in and around Southwest Asia.

A copy of the Executive order implementing this action is attached.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 24, 1998*.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 5:20 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 927. An act to reauthorize the Sea Grant Program.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOND (for himself, Mr. COCHRAN, Ms. SNOWE, and Mr. SHELBY):

S. 1669. A bill to restructure the Internal Revenue Service and improve taxpayer rights, and for other purposes; to the Committee on Finance.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1670. A bill to amend the Alaskan Native Claims Settlement Act to provide for selection of lands by certain veterans of the Vietnam era; to the Committee on Energy and Natural Resources.

By Mr. BENNETT (for himself and Mr. DODD):

S. 1671. A bill to address the Year 2000 computer problems with regard to financial institutions, to extend examination parity to the Director of the Office of Thrift Supervision and the National Credit Union Administration, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DASCHLE (for himself and Mr. JOHNSON):

S. 1672. A bill to expand the authority of the Secretary of the Army to improve the control of erosion on the Missouri River; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOND (for himself, Mr. COCHRAN, Ms. SNOWE, and Mr. SHELBY):

S. 1669. A bill to restructure the Internal Revenue Service and improve taxpayer rights, and for other purposes; to the Committee on Finance.

THE PUTTING THE TAXPAYER FIRST ACT OF 1998

Mr. BOND. Mr. President, I rise today to introduce a bill —Putting Taxpayers First. In the next few weeks the Senate will have a historic opportunity to make far-reaching changes to the operation of the Internal Revenue Service and to strengthen taxpayers' rights. For too long, taxpayers have had to put up with poor service when dealing with the IRS—often to the tune of larger tax bills because of interest and penalties that accrue during the lengthy delays in resolving disputes. While our ultimate goal must be a simpler and less burdensome tax law, taxpayers need help today when dealing with the IRS. We must put taxpayers first.

For my part, I have asked the people of Missouri for their suggestions on how to fix the IRS and better protect taxpayers' rights. In addition, as chairman of the Committee on Small Business, I have asked small businesses across the country for their recommendations on this issue. I am pleased to say that a great many people have taken the time to call or write with their suggestions for improving this country's tax administration system.

Over the last several months, the Finance Committee has focused extensively on abuse of taxpayers and the need to reform our tax administration system. In addition, my committee has held hearings on this issue and the importance of reform for entrepreneurs and small business owners throughout the country. The House has also completed its package of reform measures. That legislation provides a good start, but I believe we can make it even stronger.

With the input and recommendations from all these sources in mind, today I am introducing the Putting Taxpayers First Act. This bill will provide critical relief for a broad spectrum of taxpayers from single moms and married couples to small business owners and farmers. It is based on two fundamental principles. We must create an IRS and a tax system that are based on top-quality service for all taxpayers, and we must act swiftly to restore citizen confidence in that system.

My bill tackles these goals in three ways: by improving taxpayer rights and protections, restructuring the management and operation of the IRS, and using electronic filing technology to help taxpayers, not complicate their lives.

For more than 200 years, Americans have had the right, guaranteed by the fourth amendment, ''to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures,'' and have enjoyed the constitutional protections against being ''deprived of * * * property, without due process of law'' under the fifth amendment.

My bill will make the IRS fully respect these rights by requiring, as part of the Tax Code, that the IRS must obtain the approval by a judge or magistrate with notice and a hearing for the taxpayer before seizing a taxpayer's property. The Government ought to be required to treat ordinary taxpayers at least as well as they treat common criminals. It is way past time to level the playing field and preserve the constitutional rights of all taxpayers.

My bill also stops the runaway freight train of excessive penalties and interest in two ways. First, the interest on a penalty will only begin after the taxpayer fails to pay his tax bill. Today, interest on most penalties is applied retroactively to the date that the tax return was due, which may be as much as 2 to 3 years back. That is just not fair. Second, my bill eliminates multiple penalties that apply to the same error. Penalties should punish bad behavior, not honest errors that even well-intentioned people are bound to make now and then.

Next, with respect to restructuring the IRS, the second part of my bill addresses the need for structural changes within the IRS. I believe that the operations and staffing of the IRS should be based along customer lines, an idea supported by the National Commission on Restructuring the IRS. The IRS' current one-size-fits-all approach no longer meets the needs of taxpayers and is inefficient for the IRS as well.

By restructuring the IRS along customer lines, the agency could provide one-stop service for taxpayers with similar characteristics and needs, such as individuals, small businesses and large companies. As a result of these changes, a married couple could go to an IRS service center designed for individuals and get help on the issues they care about, like the new child tax credit and the ROTH IRA. Similarly, a small business owner could resolve questions about the depreciation deductions for her business equipment with IRS employees specifically trained in these areas.

I was extremely pleased to hear IRS Commissioner Rossotti embrace this one-stop-service proposal early this month. While the Commissioner has signaled his interest in a customer-based IRS, I want to make sure that it does not become one of the many reorganization ideas that lose favor after a few short years.

To protect against this risk, my bill that I introduce today will make this structure a permanent part of the Tax Code. But reorganizing the IRS front lines, however, is only part of the task. The top-level management of the IRS here in Washington must make taxpayer service a reality throughout the agency. My bill takes that step by creating a full-time board of governors, which will have full responsibility, authority and accountability for IRS operations.

This board composed of four individuals drawn from the private sector plus the IRS Commissioner will have the authority and information necessary to ensure that the agency's examinations and enforcement activities are conducted in a manner that treats taxpayers fairly and with respect.

The board will also oversee the service provided by the taxpayer advocate and will ensure that the IRS appeals process is handled in an impartial manner.

An independent, full-time board of governors will protect the IRS from being used for political purposes. Any efforts to instill confidence in our tax administration system are severely undercut when there are allegations that the IRS is being used for politically motivated audits. Regrettably, there have been recent reports suggesting the IRS has undertaken these types of audits with regard to certain individuals and nonprofit organizations like the Christian Coalition and the Heritage Foundation. An IRS board of governors with representatives of both political parties will help ensure that the agency is used for one purpose and one purpose alone: helping taxpayers to comply with the tax laws in the least burdensome manner possible.

Mr. President, in addition to redesigning the agency, my bill also creates a commonsense approach for redesigning IRS communications. Too often we have heard from constituents, especially small business owners, that the notice they receive from the IRS is incomprehensible. As a result, one of two things usually happens: The taxpayer pays the bill without question just to make the IRS go away, even if they are not sure they owe taxes; or the taxpayer has to hire a professional to tell

him or her what the notice means and then spend vast amounts of time and money getting the matter straightened out. This no-win situation has to end now.

My bill creates a panel of individual taxpayers, small entrepreneurs, large business managers and other types of taxpayers who will review all standardized IRS documents to make sure they are clear and understandable to the taxpayers who must read them. Any notice, letter or form that does not meet this minimum standard will be sent back to the IRS with a recommendation that it be rewritten before it is sent to the taxpayer. And clear communications, I believe, are essential for good customer service. America's taxpayers deserve no less.

Mr. President, as I said, in the next few weeks the Senate will have an historic opportunity to make far-reaching changes to the operation of the Internal Revenue Service and to strengthen taxpayers' rights. For too long, taxpayers have had to put up with poor service when dealing with the IRS—often to the tune of larger tax bills because of interest and penalties that accrue during the lengthy delays in resolving disputes. While our ultimate goal must be a simpler and less burdensome tax law, taxpayers need help today when dealing with the IRS. We must put taxpayers first.

For my part, I have asked people across Missouri for their suggestions on how to fix the IRS and better protect taxpayers' rights. In addition, as the Chairman of the Committee on Small Business, I have asked small businesses across the country for their recommendations on this issue. And I am pleased to say that a great many people have taken the time to call or write with their suggestions for improving this country's tax-administration system.

Over the last several months, the Finance Committee has focused extensively on abuse of taxpayers and the need to reform our tax-administration system. In addition, my Committee has held hearings on this issue and the importance of reform for entrepreneurs and small business owners throughout the country. The House has also completed its package of reform measures. That legislation provides a good start, but I believe we can make it even stronger.

With the input and recommendations from all of these sources in mind, today I am introducing the Putting the Taxpayer First Act. This bill will provide critical relief for a broad spectrum of taxpayers, from single moms and married couples to small business owners and farmers. And it is based on two fundamental principles. We must create an IRS and a tax system that are based on top quality service for all taxpayers, and we must act swiftly to restore citizen confidence in that system. My bill tackles these goals in three ways: by improving taxpayer rights and protections, restructuring the management and operation of the IRS, and using electronic filing technology to help taxpayers, not complicate their lives.

IMPROVING TAXPAYER RIGHTS

While our ultimate goal should be the wholesale reform or substantial replacement of the tax laws, much additional progress can be made now by strengthening taxpayers' rights in order to restore faith in the fairness of our tax system. My bill includes several improvements to taxpayers' rights, and I will stress just a few of them today.

Recent reports of excessive seizures by the IRS have alarmed all of us. These inexcusable practices were highlighted by Senator NICKLES in a hearing he held last December in Oklahoma City. Imagine the devastation to an individual who finds himself in trouble with the IRS over back taxes, and the next thing he knows, the IRS has seized his bank account or his car—or worse yet, his home. In the case of an unfortunate small business, an abrupt seizure can mean shutting the business down, ending the livelihoods of all the employees and their families.

While some will say that seizures are a last resort and do not happen that often, the IRS has disclosed that during Fiscal Year 1996, the agency made about 10,000 seizures of taxpayers' property. That is still a sizeable number, and what is truly alarming is that these seizures can be done on the IRS' own initiative, without judicial approval.

For more than 200 years, Americans have had the right, guaranteed by the Fourth Amendment, ''to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures,'' and have enjoyed the Constitutional protections against being ''deprived of . . . property, without due process of law'' under the Fifth Amendment. My bill will make the IRS more fully respect these rights by requiring, as part of the tax code, that the IRS must obtain the approval by a judge or magistrate, with notice and a hearing for the taxpayer, before seizing a taxpayer's property. The government ought to be required to treat ordinary taxpayers at least as well as they treat common criminals. It is way past time to level the playing field and preserve the Constitutional rights of all taxpayers.

Mr. President, taxpayers, and especially small enterprises, often need help when it comes to tax planning and examining alternatives to minimize their tax liability within the law. With the enormous complexity of the tax code today, taxpayers frequently have to make good faith judgment calls about whether a particular deduction or credit applies.

Today, there is an inequity in the law that results in unequal treatment of taxpayers based on their choice of tax professional or financial ability to afford a lawyer. Under the current law, a taxpayer who goes to an accountant to obtain advice for tax planning or assistance in a controversy to make sure he is not paying more tax than the law requires, does so at his peril. In fact, he may as well invite the IRS to that meeting because there is no privilege of confidentiality between a taxpayer and his accountant.

For a taxpayer to gain the confidentiality protection that is available, he must engage an attorney. Oddly enough, in many cases, the attorney may hire an accountant to gain accounting expertise, and then the work of the accountant would be protected from disclosure to the IRS. Now the taxpayer has assumed enormous additional costs, and for what? Just to prevent the IRS from having an even greater upper hand against taxpayers who already have to prove their innocence?

My bill ends this disparity. It permits a taxpayer, in non-criminal matters, to hire any individual authorized to practice before the IRS, such as an accountant, an enrolled agent, or an attorney, and be able to have conversations with that tax professional, which can remain private from the IRS. This taxpayer confidentiality provision will ensure that all taxpayers receive equal treatment from the IRS in a way that can save them money. In addition, it gives all taxpayers a wider choice of tax advisors without giving up their right to confidentiality. This is a common-sense protection for the millions of individuals and businesses that seek professional tax advice each year.

Penalties, too, have become an enormous burden for taxpayers who make mistakes, which is not uncommon with today's complex tax laws. Far too often, a minor tax bill grows into an unmanageable liability because of the interest on the tax owed, the penalties for negligence and late payment, and the interest on the penalties. Frequently, these penalties can prevent a taxpayer from settling his account and getting back into good standing.

Penalties were included in the tax code to encourage taxpayers to comply with our voluntary assessment system. But the multiplicity of penalties and hidden punishments disguised as interest on those penalties seriously undermines Americans' confidence that our system is fair.

My bill stops the runaway freight train of excessive penalties and interest in two ways. First, interest on a penalty will only begin after the taxpayer has failed to pay his tax bill. Today, interest on most penalties is applied retroactively to the date that the tax return was due, which may be as much as two to three years back. That's just not fair. Second, my bill eliminates multiple penalties that apply to the same error. Penalties should punish bad behavior, not honest errors that even well-intentioned people are bound to make now and then.

Mr. President, another issue of enormous importance to many entrepreneurs in this country is the status

of independent contractors. Over the past several years, I have worked hard for the adoption of a clear legislative safe-harbor for the classification of workers and protections against retroactive reclassification of independent contractors. I included these provisions as part of the Home-Based Business Fairness Act, S. 460, which I introduced last March. And I intend to pursue these important changes to the tax code through that bill as the Senate debates legislation to restructure the IRS and improve taxpayers' rights.

RESTRUCTURING THE IRS

The second part of my bill addresses the need for structural changes within the IRS. Over the past century, the IRS has evolved into a bureaucratic web of functions, regions, and district offices, all aimed at making the collection of taxes easy for the government. What has been overlooked is that those tax dollars come from citizens whom the government is supposed to serve and represent. With roughly 140 million individuals, alone, filing tax returns every year, the system must be made convenient for the taxpayer, not just for the government.

I believe that the operations and staffing of the IRS should be based along customer lines, an idea supported by the National Commission on Restructuring the IRS. The IRS' current ''one size fits all'' approach no longer meets the needs of taxpayers and is inefficient for the IRS as well. By restructuring the IRS along customer lines, the agency could provide one-stop service for taxpayers with similar characteristics and needs, such as individuals, small businesses, and large companies. As a result, a married couple could go to an IRS service center designed for individuals and get help on the issues that they care about like the new child tax credit and the Roth IRA. Similarly, a small business owner could resolve questions about the depreciation deductions for her business equipment with IRS employees specifically trained in these areas.

I was extremely pleased to hear IRS Commissioner Rossotti embrace this one-stop-service proposal earlier this month. And I look forward to working with the agency to make it a reality for taxpayers at the earliest possible date. While the Commissioner has signaled his interest in a customer-based IRS, I want to make sure that it does not become one of the many reorganization ideas that lose favor after a few short years. To protect against that risk, my bill will make this structure a permanent part of the tax code.

Reorganizing the IRS at the frontlines, however, is only part of the task. The top-level management of the IRS here in Washington must make taxpayer service a reality throughout the agency. My bill takes that step by creating a full-time Board of Governors, which will have full responsibility, authority, and accountability for IRS operations. This Board, composed of four individuals drawn from the private sector plus the IRS Commissioner, will have the authority and information necessary to ensure that the agency's examination and enforcement activities are conducted in a manner that treats taxpayers fairly and with respect. The Board will also oversee the service provided by the Taxpayer Advocate and will ensure that the IRS' appeals process is handled in an impartial manner.

An independent, full-time Board of Governors will also protect the IRS from being used for political purposes. Any efforts to instill confidence in our tax-administration system are severely undercut by allegations that the IRS is being used for politically-motivated audits. Regrettably, there have been recent reports suggesting that the IRS has undertaken these types of audits with regard to certain individuals and non-profit organizations like the Christian Coalition and the Heritage Foundation. An IRS Board of Governors with representatives of both political parties will help ensure that the agency is used for one purpose, and one purpose alone: helping taxpayers to comply with the tax laws in the least burdensome manner possible.

Mr. President, in addition to redesigning the agency, my bill also creates a common sense approach for redesigning IRS communications. Too often I have heard from constituents, especially small business owners, that a notice they received from the IRS is incomprehensible. As a result, one of two things usually happens. The taxpayer pays the bill without question just to make the IRS go away, even if they are not sure they owe any taxes. Or the taxpayer has to hire a professional to tell him what the notice means and then spend vast amounts of time and money getting the matter straightened out. This no-win situation has to end now.

My bill creates a panel of individual taxpayers, small entrepreneurs, large business managers, and other types of taxpayers, who will review all standardized IRS documents to make sure they are clear and understandable to the taxpayers who must read them. Any notice, letter or form that does not meet this minimum standard, will be sent back to the IRS with a recommendation that it be rewritten before it is sent to any taxpayer. Clear communications are essential for good customer service, and America's taxpayers deserve no less.

FAIR AND EFFICIENT USE OF TECHNOLOGY

The third part of my bill concerns the fair and efficient use of technology in our tax-administration system. With the continuing advances in technology, we have an enormous opportunity to make all taxpayers' lives easier. In fact, the IRS has already made good progress in this area with programs like TeleFile, which enables many taxpayers to file their tax returns through a brief telephone call.

But with technological advances comes the risk of imposing even more burdens on taxpayers, and Congress must make sure that these improvements are not implemented at the expense of the taxpayers, and especially the small businesses, who are expected to comply with them. To prevent that result, my bill makes clear that expanded electronic filing of tax and information returns should be a goal, not a mandate imposed on American taxpayers.

In addition, my bill ensures that in making electronic filing a reality, the IRS will involve representatives of all taxpayer groups—individuals, small business, large companies, and the tax-preparation community—to ensure that electronic filing does not complicate everyone's lives in the name of modernization and simplification.

Mr. President, the provisions of the Putting the Taxpayer First Act will make the IRS a better public servant and help restore confidence in our tax system. Taxpayers face enormous difficulties today just to comply with the tax law, and they have waited far too long for good service and fair treatment in a timely manner. I urge my colleagues on the Finance Committee to include the provisions of this bill when they markup IRS-reform legislation next month. Our efforts must focus on putting the taxpayer first if we are to make positive and lasting changes to the IRS and not keep America's taxpayers waiting any longer.

Mr. President, I ask unanimous consent that Senators COCHRAN, SNOWE and SHELBY be shown as original cosponsors. And I ask unanimous consent that a copy of the bill and a description of its provisions be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1669

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Putting the Taxpayer First Act of 1998''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

TITLE I—TAXPAYER RIGHTS

SEC. 101. COURT APPROVAL FOR SEIZURE OF TAXPAYER'S PROPERTY.

(a) IN GENERAL.—Section 6331(a) is amended by adding at the end the following new paragraph:

''(2) LIMITATION ON AUTHORITY OF SECRETARY.—Notwithstanding paragraph (1)—

''(A) GENERAL RULE.—The Secretary shall not levy upon any property or rights to property until—

''(i) the taxpayer has received the notice described in subsection (a) which notifies the taxpayer of the opportunity for judicial review under this subparagraph and advises the taxpayer that criminal penalties may be imposed if the property is transferred or otherwise made unavailable for collection while such review is pending, and

''(ii) a court of competent jurisdiction has determined, after the taxpayer has received notice and an opportunity for a hearing, that such levy is reasonable under the circumstances.

''(B) EXCEPTION.—A court may waive the right to notice and hearing under subparagraph (A) if the Secretary demonstrates to the court's satisfaction that—

''(i) irreparable harm will occur with respect to the Secretary's ability to collect the tax if relief is not granted,

''(ii) the Secretary has provided the taxpayer with notice and demand pursuant to section 6303(a),

''(iii) the taxpayer has neglected or refused to pay the tax within 10 days after notice and demand, and

''(iv) the Secretary has a reasonable probability of success on the merits with regard to the taxpayer's liability for the tax.''

(b) CONFORMING AMENDMENT.—Section 6331(a) is amended by striking ''If any person'' and inserting:

''(1) IN GENERAL.—If any person''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for levies occurring on or after the date of the enactment of this Act.

SEC. 102. IMPROVED OFFERS-IN-COMPROMISE PROCEDURE.

(a) IN GENERAL.—Section 7122 (relating to compromises) is amended by adding at the end the following new subsection:

''(c) OFFERS IN COMPROMISE.—

''(1) IN GENERAL.—If the Secretary receives an offer in compromise which is based on the taxpayer's inability to pay the taxpayer's tax liability in full, the Secretary shall accept such offer in compromise if it reasonably reflects the taxpayer's ability to pay.

''(2) TIMELY RESPONSE.—

''(A) GENERAL RULE.—The Secretary shall accept, reject, or make a counteroffer to an offer in compromise described in paragraph (1) within 120 days from the date that the offer is filed and reasonable documentation is submitted regarding the taxpayer's ability to pay.

''(B) FAILURE TO RESPOND.—If the Secretary fails to respond within such time, interest on the underpayment under section 6601(a) shall be suspended until such date as the Secretary responds. This subparagraph shall not apply if the Secretary reasonably determines that the taxpayer's offer in compromise is frivolous.

''(C) UNACCEPTABLE OFFERS.—If the Secretary does not accept an offer in compromise from a taxpayer—

''(i) the Secretary shall provide a detailed description of the reasons that the offer was not accepted, and

''(ii) the taxpayer may appeal the Secretary's determination to the Office of Appeals.

''(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations—

''(A) establishing standards for acceptable offers in compromise based on the economic reality of the taxpayer's ability to pay, and

''(B) providing for the application of this subsection to offers in compromise made by small businesses and the self-employed.''

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for offers in compromise filed after the date of the enactment of this Act.

SEC. 103. CLARIFICATION THAT ATTORNEY'S FEES ARE AVAILABLE IN UNAUTHORIZED-DISCLOSURE AND BROWSING CASES.

(a) IN GENERAL.—Subsection (a) of section 7430 (relating to awarding of costs and certain fees) is amended to read as follows:

''(a) IN GENERAL.—In any administrative or court proceeding which is brought by or against the United States in connection with the determination, collection, or refund of any tax, interest, or penalty under this title (including any civil action under section 7431), the prevailing party may be awarded a judgment or settlement for—

''(1) reasonable administrative costs incurred in connection with such administrative proceeding within the Internal Revenue Service, and

''(2) reasonable litigation costs incurred in connection with such court proceeding.''

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for any proceeding which—

(1) arises after the date of the enactment of this Act, or

(2) arises on or before such date and which does not become final before the 30th day after such date.

SEC. 104. UNIFORM APPLICATION OF CONFIDENTIALITY PRIVILEGE FOR TAXPAYER COMMUNICATIONS WITH FEDERALLY AUTHORIZED PRACTITIONERS.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7525. UNIFORM APPLICATION OF CONFIDENTIALITY PRIVILEGE FOR TAXPAYER COMMUNICATIONS WITH FEDERALLY AUTHORIZED PRACTITIONERS.

''(a) GENERAL RULE.—With respect to tax advice, the same common law protections of confidentiality which apply to a communication between a taxpayer and an attorney shall also apply to a communication between a taxpayer and any federally authorized tax practitioner if the communication would be considered a privileged communication if it were between a taxpayer and an attorney.

''(b) LIMITATIONS.—Subsection (a) may only be asserted in—

''(1) noncriminal tax matters before the Internal Revenue Service, and

''(2) proceedings in Federal courts with respect to such matters.

''(c) FEDERALLY AUTHORIZED TAX PRACTITIONER.—For purposes of this section, the term 'federally authorized tax practitioner' means any individual who is authorized under Federal law to practice before the Internal Revenue Service but only if such practice is subject to Federal regulation under section 330 of title 31, United States Code.''

(b) CONFORMING AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7525. Uniform application of confidentiality privilege for taxpayer communications with federally authorized practitioners.''

SEC. 105. TAXPAYER'S RIGHT TO HAVE AN IRS EXAMINATION TAKE PLACE AT ANOTHER SITE.

(a) IN GENERAL.—Subsection (a) of section 7605 (relating to time and place of examination) is amended to read as follows:

''(a) TIME AND PLACE.—

''(1) IN GENERAL.—The time and place of examination pursuant to the provisions of section 6420(e)(2), 6421(g)(2), 6427(j)(2), or 7602 shall be such time and place as may be fixed by the Secretary and as are reasonable under the circumstances. In the case of a summons under authority of paragraph (2) of section 7602, or under the corresponding authority of section 6420(e)(2), 6421(g)(2), or 6427(j)(2), the date fixed for appearance before the Secretary shall not be less than 10 days from the date of the summons.

''(2) LIMITATION.—Upon request of a taxpayer, the Secretary shall conduct any examination described in paragraph (1) at a location other than the taxpayer's residence or place of business, if such location is reasonably accessible to the Secretary and the taxpayer's original books and records pertinent to the examination are available at such location.''

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for examinations occurring after the date of the enactment of this Act.

SEC. 106. PROHIBITION ON IRS CONTACT OF THIRD PARTIES WITHOUT TAXPAYER PRE-NOTIFICATION.

(a) IN GENERAL.—Section 7602 (relating to examination of books and witnesses) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) LIMITATION OF AUTHORITY TO SUMMON.—In the case of a taxpayer engaged in a trade or business, no summons concerning such trade or business may be issued under this title with respect to any person other than such taxpayer without providing reasonable notice to the taxpayer that such

summons will be issued. This subsection shall not apply if the Secretary determines for good cause shown that such notice would jeopardize collection of any tax or any pending criminal investigation.''

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for summons issued after the date of the enactment of this Act.

SEC. 107. EXPANSION OF TAXPAYER'S RIGHTS IN ADMINISTRATIVE APPEAL.

(a) IN GENERAL.—Subchapter B of chapter 63 (relating to assessment) is amended by adding before section 6212 the following new section:

''SEC. 6211A. NOTICE OF PROPOSED ADJUSTMENT.

''(a) INCOME TAXES.—At least 60 days prior to issuing a notice of deficiency under section 6212, the Secretary shall send a notice explaining the adjustments that the Secretary believes should be made to the amount shown as tax by the taxpayer on his return that would result in a deficiency. If the taxpayer does not agree with the Secretary's proposed adjustments, the taxpayer may appeal such proposed adjustments to the Office of Appeals.

''(b) ADDRESS FOR NOTICE OF PROPOSED ADJUSTMENT.—The provisions of section 6212(b) shall apply with respect to mailing of the notice of proposed adjustment described in subsection (a).''

(b) EMPLOYMENT TAXES.—Section 6205(b) is amended—

(1) by adding at the end the following new paragraph:

''(2) NOTICE OF PROPOSED ASSESSMENT.—At least 60 days prior to making any assessment with respect to paragraph (1), the Secretary shall send a notice of proposed assessment (mailed to the taxpayer at its last known address) explaining the adjustments that the Secretary believes should be made to the amount paid or deducted with respect to any payment of wages or compensation which would result in an underpayment. If the taxpayer disagrees with the Secretary's adjustments, the taxpayer may appeal such adjustments to the Office of Appeals.'', and

(2) by striking ''If less than'' and inserting:

''(1) IN GENERAL.—If less than''.

(b) CONFORMING AMENDMENTS.—The table of sections for subchapter B of chapter 63 is amended by inserting the following new item:

''Sec. 6211A. Notice of proposed adjustment.''

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective 60 days after the date of the enactment of this Act.

TITLE II—PENALTY REFORM

SEC. 201. IMPOSITION OF INTEREST ON PENALTIES ONLY AFTER A TAXPAYER'S FAILURE TO PAY.

(a) IN GENERAL.—Section 6601(e)(2) is amended to read as follows:

''(2) INTEREST ON PENALTIES, ADDITIONAL AMOUNTS, OR ADDITIONS TO THE TAX.—Interest shall be imposed under subsection (a) in respect of any assessable penalty, additional amount, or addition to the tax only if such assessable penalty, additional amount, or addition to the tax is not paid within 21 calendar days from the date of notice and demand therefor (10 business days if the amount for which such notice and demand is made equals or exceeds $100,000), and in such case interest shall be imposed only for the period from the date of the notice and demand to the date of payment.''

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for penalties assessed after the date of the enactment of this Act.

SEC. 202. REPEAL OF THE PENALTY FOR SUBSTANTIAL UNDERSTATEMENT OF INCOME TAX.

(a) IN GENERAL.—Subsection (d) of section 6662 is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 6662(b) is amended by striking paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(2) Section 6662 is amended by redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively.

(3) Section 461(i)(3)(C) is amended to read as follows:

''(C) any partnership or other entity, any investment plan or arrangement, or any other plan or arrangement if a significant purpose of such partnership, entity, plan, or arrangement is the avoidance or evasion of Federal income tax.''

(4) Section 1274(b)(3)(B)(i) is amended by striking ''section 6662(d)(2)(C)(iii)'' and inserting ''section 461(i)(3)(C)''.

(5) Section 6013(e)(3) is amended to read as follows:

''(3) SUBSTANTIAL UNDERSTATEMENT.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'substantial understatement' means any understatement which exceeds $500.

''(B) UNDERSTATEMENT.—For purposes of subparagraph (A), the term ''understatement'' means the excess of—

''(i) the amount of the tax required to be shown on the return for the taxable year, over

''(ii) the amount of the tax imposed which is shown on the return, reduced by any rebate (within the meaning of section 6211(b)(2)).

''(C) REDUCTION FOR UNDERSTATEMENT DUE TO POSITION OF TAXPAYER OR DISCLOSED ITEM.—The amount of the understatement under subparagraph (B) shall be reduced by that portion of the understatement which is attributable to—

''(i) the tax treatment of any item by the taxpayer if there is or was substantial authority for such treatment, or

''(ii) any item if—

''(I) the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return, and

''(II) there is a reasonable basis for the tax treatment of such item by the taxpayer.

''(D) SPECIAL RULES IN CASES INVOLVING TAX SHELTERS.—

''(i) IN GENERAL.—In the case of any item of a taxpayer which is attributable to a tax shelter—

''(I) subparagraph (C)(ii) shall not apply, and

''(II) subparagraph (C)(i) shall not apply unless (in addition to meeting the requirements of such subparagraph) the taxpayer reasonably believed that the tax treatment of such item by the taxpayer was more likely than not the proper treatment.

''(ii) TAX SHELTER.—For purposes of this subparagraph, the term 'tax shelter' has the meaning given such term by section 461(i)(3)(C).

''(E) SECRETARIAL LIST.—The Secretary shall prescribe (and revise not less frequently than annually) a list of positions—

''(i) for which the Secretary believes there is not substantial authority, and

''(ii) which affect a significant number of taxpayers.

Such list (and any revision thereof) shall be published in the Federal Register.''

(6) Section 6694(a) is amended—

(A) by striking ''section 6662(d)(2)(B)(ii)'' and inserting ''section 6013(e)(3)(C)(ii)'' in paragraph (3), and

(B) by adding at the end the following: ''For purposes of paragraph (3), in applying section 6013(e)(3)(C)(ii)(II), in no event shall a corporation be treated as having a reasonable basis for its tax treatment of an item attributable to a multiple-party financing transaction if such treatment does not clearly reflect the income of the corporation.''

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 203. REPEAL OF THE FAILURE-TO-PAY PENALTY.

(a) IN GENERAL.—Section 6651(a) is amended by striking paragraphs (2) and (3).

(b) CONFORMING AMENDMENTS TO SECTION 6651.—

(1) Section 6651(a) is amended—

(A) by striking ''In the case of failure—

''(1) to'' and inserting ''In the case of failure to'', and

(B) by striking the semicolon at the end of paragraph (1) and inserting a period.

(2) Section 6651(b) is amended—

(A) by striking ''For purposes of—

''(1) subsection (a)(1)'' and inserting ''For purposes of subsection (a)'',

(B) by striking the comma at the end of paragraph (1) and inserting a period, and

(C) by striking paragraphs (2) and (3).

(3) Section 6651 is amended by striking subsections (c), (d), and (e).

(4) Section 6651(f) is amended by striking ''paragraph (1) of''.

(5) Section 6651(g) is amended to read as follows:

''(g) TREATMENT OF RETURNS PREPARED BY SECRETARY UNDER SECTION 6020(b).—In the case of any return made by the Secretary under section 6020(b), such return shall be disregarded for purposes of determining the amount of the addition under subsection (a).''

(6) Section 6651, as amended by paragraphs (3) and (4), is amended by redesignating subsections (f) and (g) as subsections (c) and (d), respectively.

(7) The heading of section 6651 is amended to read as follows:

''SEC. 6651. FAILURE TO FILE TAX RETURN.''

(8) The table of sections for subchapter A of chapter 68 is amended by striking the item relating to section 6651 and inserting the following new item:

''Sec. 6651. Failure to file tax return.''

(9) Section 5684(c)(2) is amended by striking ''or pay tax''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for failures to pay occurring after the date of the enactment of this Act.

TITLE III—INTERNAL REVENUE SERVICE RESTRUCTURING

SEC. 301. INTERNAL REVENUE SERVICE BOARD OF GOVERNORS; COMMISSIONER OF INTERNAL REVENUE.

(a) IN GENERAL.—Chapter 80 (relating to general rules) is amended by adding after section 7801 the following new section:

''SEC. 7801A. INTERNAL REVENUE SERVICE BOARD OF GOVERNORS; COMMISSIONER OF INTERNAL REVENUE.

''(a) INTERNAL REVENUE SERVICE BOARD OF GOVERNORS.—

''(1) ESTABLISHMENT.—There is established within the Department of the Treasury the Internal Revenue Service Board of Governors (in this title referred to as the 'Board').

''(2) MEMBERSHIP.—

''(A) COMPOSITION.—The Board shall be composed of 5 members, of whom—

''(i) 4 shall be individuals who are appointed by the President, by and with the advice and consent of the Senate, and

''(ii) 1 shall be the Commissioner of Internal Revenue.

Not more than 2 members of the Board appointed under clause (i) may be affiliated with the same political party.

''(B) QUALIFICATIONS.—Members of the Board described in subparagraph (A)(i) shall be appointed solely on the basis of their professional experience and expertise in the following areas:

''(i) The needs and concerns of taxpayers.

''(ii) Organization development.

''(iii) Customer service.

''(iv) Operation of small businesses.

''(v) Management of large businesses.

''(vi) Information technology.

''(vii) Compliance.

In the aggregate, the members of the Board described in subparagraph (A)(i) should collectively bring to bear expertise in these enumerated areas.

''(C) TERMS.—Each member who is described in subparagraph (A)(i) shall be appointed for a term of 5 years, except that of the members first appointed—

''(i) 1 member who is affiliated with the same political party as the President shall be appointed for a term of 1 year,

''(ii) 1 member who is not affiliated with the same political party as the President shall be appointed for a term of 2 years,

''(iii) 1 member who is affiliated with the same political party as the President shall be appointed for a term of 3 years, and

''(iv) 1 member who is not affiliated with the same political party as the President shall be appointed for a term of 4 years.

A member of the Board may serve on the Board after the expiration of the member's term until a successor has taken office as a member of the Board.

''(D) REAPPOINTMENT.—An individual who is described in subparagraph (A)(i) may be appointed to no more than two 5-year terms on the Board.

''(E) VACANCY.—Any vacancy on the Board—

''(i) shall not affect the powers of the Board, and

''(ii) shall be filled in the same manner as the original appointment.

Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of that term.

''(F) REMOVAL.—

''(i) IN GENERAL.—A member of the Board may be removed at the will of the President.

''(ii) COMMISSIONER OF INTERNAL REVENUE.—An individual described in subparagraph (A)(ii) shall be removed upon termination of employment.

''(3) GENERAL RESPONSIBILITIES.—

''(A) IN GENERAL.—The Board shall oversee the Internal Revenue Service in the administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws or related statutes and tax conventions to which the United States is a party.

''(B) CONSULTATION ON TAX POLICY.—The Board shall be responsible for consulting with the Secretary of the Treasury with respect to the development and formulation of Federal tax policy relating to existing or proposed internal revenue laws, related statutes, and tax conventions.

''(4) SPECIFIC RESPONSIBILITIES.—The Board shall have the following specific responsibilities:

''(A) STRATEGIC PLANS.—To review and approve strategic plans of the Internal Revenue Service, including the establishment of—

''(i) mission and objectives, and standards of performance relative to either, and

''(ii) annual and long-range strategic plans.

''(B) OPERATIONAL PLANS.—To review and approve the operational functions of the Internal Revenue Service, including—

''(i) plans for modernization of the tax system,

''(ii) plans for outsourcing or managed competition, and

''(iii) plans for training and education.

''(C) MANAGEMENT.—To—

''(i) review and approve the Commissioner's selection, evaluation, and compensation of senior managers,

''(ii) oversee the operation of the Office of the Taxpayer Advocate and the Office of Appeals, and

''(iii) review and approve the Commissioner's plans for reorganization of the Internal Revenue Service.

''(D) BUDGET.—To—

''(i) review and approve the budget request of the Internal Revenue Service prepared by the Commissioner,

''(ii) submit such budget request to the Secretary of the Treasury,

''(iii) ensure that the budget request supports the annual and long-range strategic plans of the Internal Revenue Service, and

''(iv) ensure appropriate financial audits of the Internal Revenue Service.

The Secretary shall submit, without revision, the budget request referred to in subparagraph (D) for any fiscal year to the President who shall submit, without revision, such request to Congress together with the President's annual budget request for the Internal Revenue Service for such fiscal year.

''(5) BOARD PERSONNEL MATTERS.—

''(A) COMPENSATION OF MEMBERS.—Each member of the Board who is described in subsection (b)(1)(A)(i) shall be compensated at an annual rate equal to the rate for Executive Schedule IV under title 5 of the United States Code. The Commissioner shall receive no additional compensation for service on the Board.

''(B) STAFF.—The Chairperson of the Board shall have the authority to hire such personnel as may be necessary to enable the Board to perform its duties.

''(6) ADMINISTRATIVE MATTERS.—

''(A) CHAIR.—The Commissioner of Internal Revenue shall serve as the chairperson of the Board.

''(B) COMMITTEES.—The Board may establish such committees as the Board determines appropriate.

''(C) MEETINGS.—The Board shall meet at least once each month and at such other times as the Board determines appropriate.

''(D) QUORUM; VOTING REQUIREMENTS; DELEGATION OF AUTHORITIES.—3 members of the Board shall constitute a quorum. All decisions of the Board with respect to the exercise of its duties and powers under this section shall be made by a majority vote of the members present and voting. A member of the Board may not delegate to any person the member's vote or any decisionmaking authority or duty vested in the Board by the provisions of this section.

''(E) REPORTS.—The Board shall each year report to the President and the Congress with respect to the conduct of its responsibilities under this title.

''(b) COMMISSIONER OF INTERNAL REVENUE.—

''(1) APPOINTMENT.—There shall be in the Department of the Treasury a Commissioner of Internal Revenue who shall be appointed by the President, by and with the advice and consent of the Senate, to a 5-year term. The appointment shall be made without regard to political affiliation or activity.

''(2) VACANCY.—Any individual appointed to fill a vacancy in the position of Commissioner occurring before the expiration of the term for which such individual's predecessor was appointed shall be appointed for the remainder of that term.

''(3) REMOVAL.—The Commissioner may be removed at the will of the President.

''(4) DUTIES.—Subject to the powers of the Board, the Commissioner shall have such duties and powers as the Secretary may prescribe, including the power to—

''(A) administer, manage, conduct, direct, and supervise the execution and application of the internal revenue laws or related statutes and tax conventions to which the United States is a party; and

''(B) recommend to the President (after consultation with the Board) a candidate for appointment as Chief Counsel for the Internal Revenue Service when a vacancy occurs, and recommend to the President (after consultation with the Board) the removal of such Chief Counsel.

If the Secretary determines not to delegate a power specified in subparagraph (A) or (B), such determination may not take effect until 30 days after the Secretary notifies the Committees on Finance, Appropriations, and Governmental Affairs of the Senate, the Committees on Ways and Means, Appropriations, and Government Reform and Oversight of the House of Representatives, and the Joint Committee on Taxation.

''(5) CONSULTATION WITH BOARD.—The Commissioner shall consult with the Board on all matters set forth in subsection (a)(4).''

(b) CONFORMING AMENDMENTS.—

(1) Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

''Members, Internal Revenue Service Board of Governors.''

(2) Section 7701(a) (relating to definitions) is amended by inserting after paragraph (46) the following new paragraph:

''(47) BOARD.—The term 'Board' means the Board of Governors of the Internal Revenue Service.''

(3) The table of sections for subchapter A of chapter 80 is amended by inserting after the item relating to section 7801 the following new item:

''Sec. 7801A. Internal Revenue Service Board of Governors; Commissioner of Internal Revenue.''

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) NOMINATIONS TO INTERNAL REVENUE SERVICE BOARD OF GOVERNORS.—The President shall submit nominations under section 7801A(a) of the Internal Revenue Code of 1986, as added by this section, to the Senate not later than 6 months after the date of the enactment of this Act.

(3) CURRENT COMMISSIONER.—In the case of an individual serving as Commissioner of Internal Revenue on the date of the enactment of this Act who was appointed to such position before such date, the 5-year term required by section 7801A(b)(1) of the Internal Revenue Code of 1986, as added by this section, shall begin as of the date of such appointment.

SEC. 302. RESTRUCTURING OF IRS OPERATIONS ALONG CUSTOMER LINES.

(a) IN GENERAL.—Subsection (a) of section 7802 (relating to the Commissioner of Internal Revenue) is amended to read as follows:

''(a) ORGANIZATION OF THE INTERNAL REVENUE SERVICE.—

''(1) IN GENERAL.—The Internal Revenue Service shall be organized into divisions representing the following types of taxpayers:

''(A) Individual taxpayers subject to wage withholding.

''(B) Small businesses and self-employed individuals.

''(C) Large businesses.

''(D) Employee plans and exempt organizations.

''(E) Trusts and estates.

''(F) Such other divisions as the Board deems necessary and appropriate.

''(2) SUPERVISION AND DIRECTION OF DIVISIONS.—Each division established by paragraph (1) shall be under the supervision and direction of an Assistant Commissioner of Internal Revenue. As the head of a division, each Assistant Commissioner shall be responsible for carrying out the functions of taxpayer services, examinations, collections, counsel operations, and such other functions as the Board may designate with respect to the taxpayers covered by the division.''

(b) CONFORMING AMENDMENTS.—

(1) The section heading for section 7802 is amended to read as follows:

''SEC. 7802. ORGANIZATION OF THE INTERNAL REVENUE SERVICE; TAXPAYER ADVOCATE; OFFICE OF APPEALS.''

(2) The table of sections for subchapter A of chapter 80 is amended by striking the item relating to section 7802 and inserting the following new item:

''Sec. 7802. Organization of the Internal Revenue Service; Taxpayer Advocate; Office of Appeals.''

(3) Subsection (b) of section 5109 of title 5, United States Code, is amended by striking ''the employee appointed under section 7802(b)'' and inserting ''an employee appointed under section 7802(a)(2)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 303. GREATER INDEPENDENCE OF THE TAXPAYER ADVOCATE.

(a) IN GENERAL.—Section 7802(d)(1) is amended to read as follows:

''(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Office of the Taxpayer Advocate'. Such office shall be independent of all other functions of the Internal Revenue Service and shall be under the supervision and direction of an official to be known as the 'Taxpayer Advocate' who shall be appointed by, and report directly to, the Board. The Taxpayer Advocate shall be entitled to compensation at the same rate as the highest level official reporting directly to the Commissioner of the Internal Revenue.''

(b) CONFORMING AMENDMENTS.—

(1) Section 7802, as amended by subsection (a), is amended by striking subsection (b) and by redesignating subsection (d) as subsection (b).

(2) Section 7802(b)(3), as so redesignated, is amended—

(A) by striking ''Commissioner of Internal Revenue'' and inserting ''Board'', and

(B) by striking ''Commissioner'' each place it appears in the text and heading and inserting ''Board''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 304. GREATER INDEPENDENCE OF THE OFFICE OF APPEALS.

(a) IN GENERAL.—Section 7802(c) is amended to read as follows:

''(c) OFFICE OF APPEALS.—

''(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Office of Appeals'. Such office shall be independent of all other functions of the Internal Revenue Service and shall be under the supervision and direction of an officer to be known as the 'National Appeals Officer' who shall be appointed by, and report directly to, the Board. The National Appeals Officer shall be entitled to compensation at the same rate as the highest level official reporting directly to the Commissioner of the Internal Revenue.

''(2) FUNCTIONS OF OFFICE.—

''(A) IN GENERAL.—It shall be the function of the Office of Appeals to resolve tax controversies, without litigation, on a basis that is fair and impartial to both the Government and the taxpayer and in a manner that encourages voluntary compliance and public confidence in the integrity and efficiency of the Internal Revenue Service.

''(B) RESTRICTIONS.—In carrying out its functions, the Office of Appeals—

''(i) shall consider only those issues concerning the taxpayer's return raised by the division established under subsection (a) prior to its referral to the Office, and

''(ii) shall not have any communications with any officer or employee of the division with respect to such issues unless the taxpayer, or the taxpayer's representative, has the opportunity to be present for such communications.''

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 305. IMPROVED IRS WRITTEN COMMUNICATIONS TO TAXPAYERS AND TAX FORMS.

(a) TAXPAYER-COMMUNICATIONS ADVISORY GROUP.—

(1) IN GENERAL.—In order to ensure that the Internal Revenue Service Board of Governors receives input from the taxpayers who must comply with written communications from the Internal Revenue Service, the Board shall, not later than 180 days after the date of the enactment of this Act, convene a taxpayer-communications advisory group to review all—

(A) standardized letters, notices, bills, and other written communications sent to taxpayers by the Internal Revenue Service, and

(B) tax forms and instructions.

The advisory group shall recommend to the Board the rewriting of any standardized written document, form, or instruction which it finds is not clear to, or easily understood by, the taxpayers to whom it is directed.

(2) MEMBERSHIP.—

(A) IN GENERAL.—Members of the taxpayer-communications advisory group shall be appointed by the Board and shall include at least one representative of the following: individual taxpayers subject to withholding; small businesses and the self-employed; large businesses; trusts and estates; tax-exempt organizations; tax practitioners, preparers, and other tax professionals; and such other types of taxpayers that the Board deems appropriate.

(B) TERM.—A member of the advisory group shall be appointed for a term of one year and may be reappointed for one additional term.

(b) PERSONNEL AND OTHER MATTERS.—

(1) MEMBERS' COMPENSATION.—Each member of the advisory group shall serve without compensation, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in performance of services for the advisory group.

(2) DETAILS.—Any Federal Government employee may be detailed to the advisory group without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

TITLE IV—ELECTRONIC FILING

SEC. 401. GOALS FOR ELECTRONIC FILING; ELECTRONIC-FILING ADVISORY GROUP.

(a) IN GENERAL.—It is the policy of Congress that—

(1) paperless filing should be the preferred and most convenient means of filing Federal tax and information returns,

(2) electronic filing should be a voluntary option for taxpayers, and

(3) there be a goal that no more than 20 percent of all such returns should be filed on paper by the year 2007.

(b) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate (hereafter in this section referred to as the ''Secretary''), in consultation with the Board of Governors of the Internal Revenue Service and the electronic-filing advisory group described in paragraph (4), shall establish a plan to eliminate barriers, provide incentives, and use competitive market forces to increase electronic filing gradually over the next 10 years while maintaining processing times for paper returns at 40 days.

(2) PUBLICATION OF PLAN.—The plan described in paragraph (1) shall be published in the Federal Register and shall be subject to public comment for 60 days from the date of publication. Not later than 180 days after publication of such plan, the Secretary shall publish a final plan in the Federal Register.

(3) IMPLEMENTATION OF PLAN.—The Secretary shall prescribe rules and regulations to implement the plan developed under paragraph (1). Notwithstanding any other provision of law, the Secretary shall—

(A) prescribe such rules and regulations in accordance with section 553 (b), (c), (d), and (e) of title 5, United States Code, and

(B) in connection with such rules and regulations, perform an initial and final regulatory flexibility analysis pursuant to sections 603 and 604 of title 5, United States Code, and outreach pursuant to section 609 of title 5, United States Code.

(4) ELECTRONIC-FILING ADVISORY GROUP.—

(A) IN GENERAL.—To ensure that the Secretary receives input from the private sector in the development and implementation of the plan required by paragraph (1), not later than 60 days after the date of enactment of this Act, the Secretary shall convene an electronic-filing advisory group to include at least one representative of individual taxpayers subject to withholding, small businesses and the self-employed, large businesses, trusts and estates, tax-exempt organizations, tax practitioners, preparers, and other tax professionals, computerized tax processors, and the electronic-filing industry.

(B) PERSONNEL AND OTHER MATTERS.—The provisions of section 305(b) of this Act shall apply to the advisory group.

(5) TERMINATION.—The advisory group shall terminate on December 31, 2008.

(c) PROMOTION OF ELECTRONIC FILING AND INCENTIVES.—Section 6011 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) PROMOTION OF ELECTRONIC FILING.—

''(1) IN GENERAL.—The Secretary is authorized to promote the benefits of and encourage the use of electronic tax administration programs, as they become available, through the use of mass communications and other means.

''(2) INCENTIVES.—The Secretary may implement procedures to provide for the payment of appropriate incentives for electronically filed returns.''

SEC. 402. REPORT ON ELECTRONIC FILING AND ITS EFFECT ON SMALL BUSINESSES.

Not later than June 30 of each calendar year after 1997 and before 2009, the Chairperson of the Internal Revenue Service Board of Governors, the Secretary of the

Treasury, and the Chairperson of the electronic-filing advisory group established under section 401(b)(4) of this Act shall report to the Committees on Finance, Appropriations, Governmental Affairs, and Small Business of the Senate, the Committees on Ways and Means, Appropriations, Government Reform and Oversight, and Small Business of the House of Representatives, and the Joint Committee on Taxation, on—

(1) the progress of the Internal Revenue Service in meeting the goal of receiving 80 percent of tax and information returns electronically by 2007,

(2) the status of the plan required by section 401(b) of this Act,

(3) the legislative changes necessary to assist the Internal Revenue Service in meeting such goal, and

(4) the effects on small businesses and the self-employed of electronically filing tax and information returns, including a detailed description of the forms to be filed electronically, the equipment and technology required for compliance, the cost to a small business and self-employed individual of filing electronically, implementation plans, and action to coordinate Federal, State, and local electronic filing requirements.

TITLE V—REGULATORY REFORM

SEC. 501. CONGRESSIONAL REVIEW OF INTERNAL REVENUE SERVICE RULES THAT INCREASE REVENUE.

(a) IN GENERAL.—Section 804(2) of title 5, United States Code, is amended to read as follows:

''(2) The term 'major rule'—

''(A) means any rule that—

''(i) the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget finds has resulted in or is likely to result in—

''(I) an annual effect on the economy of $100,000,000 or more;

''(II) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or

''(III) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets; or

''(ii)(I) is promulgated by the Internal Revenue Service; and

''(II) the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget finds that the implementation and enforcement of the rule has resulted in or is likely to result in any net increase in Federal revenues over current practices in tax collection or revenues anticipated from the rule on the date of the enactment of the statute under which the rule is promulgated; and

''(B) does not include any rule promulgated under the Telecommunications Act of 1996 and the amendments made by that Act.''

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective 90 days after the date of the enactment of this Act.

SEC. 502. SMALL BUSINESS ADVOCACY PANELS FOR THE IRS.

(a) IN GENERAL.—Section 609(d) of title 5, United States Code, is amended to read as follows:

''(d) For purposes of this section, the term 'covered agency' means the Internal Revenue Service, the Environmental Protection Agency, and the Occupational Safety and Health Administration of the Department of Labor.''

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective 90 days after the date of the enactment of this Act.

SEC. 503. TAXPAYER'S ELECTION WITH RESPECT TO RECOVERY OF COSTS AND CERTAIN FEES.

(a) IN GENERAL.—

(1) Section 504(f) of title 5, United States Code, is amended to read as follows:

''(f) A party may elect to recover costs, fees, or other expenses under this section or under section 7430 of the Internal Revenue Code of 1986.''

(2) Section 2412(e) of title 28, United States Code, is amended to read as follows:

''(e) A party may elect to recover costs, fees, or other expenses under this section or under section 7430 of the Internal Revenue Code of 1986.''

(b) COORDINATION.—Section 7430 (relating to awarding of costs and certain fees) is amended by adding at the end the following new subsection:

''(g) COORDINATION WITH EQUAL ACCESS TO JUSTICE ACT.—This section shall not apply to any administrative or judicial proceeding with respect to which a taxpayer elects to recover costs, fees, or other expenses under section 504 of title 5, United States Code, or section 2412 of title 28, United States Code.''

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for proceedings initiated after the date of the enactment of this Act.

PUTTING THE TAXPAYER FIRST ACT

EXPLANATION OF PROVISIONS

TITLE I—TAXPAYER RIGHTS

Section 101. Court approval for seizure of taxpayer's property

In response to recent concerns raised about the IRS' unchecked authority to seize a taxpayer's property, the bill requires that before the IRS may seize property the agency must obtain court approval with notice to the taxpayer and an opportunity for a hearing. This requirement will protect a taxpayer's right against unreasonable search and seizure under the Fourth Amendment of the Constitution and ensure the taxpayer's right to due process under the Fifth Amendment.

The bill includes an exception when a taxpayer tries to hide, damage, or destroy property to evade paying his or her taxes. In such a case, if the IRS demonstrates that the property is likely to be lost or damaged, the court may provide immediate relief, without involving the taxpayer, to protect the property. To obtain such relief, the IRS must demonstrate to the court's satisfaction that without relief, the government's ultimate ability to collect the tax due from the property will be lost. The IRS must also demonstrate that the taxpayer has been given notice that tax is due, the taxpayer has failed to pay, and the IRS has a reasonable probability of success on the merits of the case.

Section 102. Improved offers-in-compromise procedure

The bill strengthens the IRS' current administrative program for taxpayers who have no chance of paying their tax liability in full. The program is intended to be a last resort, and the bill requires the IRS to accept offers in compromise when it is unlikely that the tax can be collected in full and the offer represents the taxpayer's ability to pay. The bill requires the IRS to accept, reject, or make a counteroffer to a taxpayer's offer-in-compromise within 120 days from the date that the taxpayer filed the offer and submitted reasonable documentation concerning his or her ability to pay. The bill suspends interest on the taxpayer's tax liability if the IRS fails to meet the 120-day deadline (with exceptions for frivolous offers made by taxpayers merely to buy time). In addition, if the IRS does not accept an offer (e.g., rejects it or returns it as unprocessable), the IRS will be required to provide a complete explanation to the taxpayer as to the reasons that the offer was not accepted, and the taxpayer may appeal the rejection to the Office of Appeals.

This section also requires the Treasury Department to issue regulations that establish the standard for an acceptable offer. The regulations will require that an acceptable offer be based on the economic reality of the taxpayer's ability to pay, and establish specific provisions addressing cases involving small businesses and the self-employed.

Section 103. Expansion of attorney's fees to cover unauthorized-disclosure and browsing cases

The bill clarifies that a court may award attorney's fees in cases involving unauthorized disclosure of taxpayer information and browsing of taxpayer records by IRS employees. This provision is intended to overrule McLarty v. United States, 6 F.3d 545 (8th Cir. 1993), which denied attorney's fees in a case involving unauthorized disclosure, and adopt the ruling in Huckaby v. United States Department of Treasury, 804 F.2d 297 (5th Cir. 1986), which permitted such fees. The bill is also intended to prevent the interpretation in McLarty from being applied to browsing cases.

Section 104. Uniform application of confidentiality privilege for taxpayer communications with Federally authorized practitioners

The bill expands the privilege of confidentiality that exists currently between a taxpayer and an attorney with respect to tax advice to any tax practitioner who is currently authorized to practice before the IRS, such as accountants and enrolled agents. Such confidentiality may be asserted only in non-criminal tax cases before the IRS and Federal courts, including Tax Court.

Section 105. Taxpayer's right to have an IRS examination take place at another site

The bill provides that the IRS must accept a taxpayer's request that an audit be moved away from his or her home or business premises if the off-site location is accessible to the auditor and the taxpayer's books and records are available at such a location. This provision will enable the IRS to conduct an audit but without the fear and disruption resulting from the auditor being present in a family home and among a business' employees and customers for days or weeks.

Section 106. Prohibition on IRS contact of third parties without taxpayer pre-notification

In many audit cases, especially employment tax audits, the IRS uses its summons authority to verify information from a business' customers, employees, suppliers, and others who do business with the taxpayer, but without notifying the taxpayer. Such inquiries often chill business relationships and can lead a third party to cease doing business with the taxpayer for fear of becoming ''involved'' in the audit themselves. To reduce the economic harm of such contacts, the bill requires pre-notification to a business taxpayer in advance of the IRS issuing a summons to the business' customers, employees, suppliers, and other third parties. An exception is provided for cases in which the IRS can demonstrate a specific bona fide reason that such notice would jeopardize the collection of tax (e.g., the business has threatened to fire any employee who talks to the IRS) or a criminal investigation.

Section 107. Expansion of taxpayer's rights in administrative appeal

In some cases, when an audit is completed, the IRS does not issue a notice of proposed

deficiency (i.e., 30-day letter) to the taxpayer, and instead the taxpayer receives a notice of deficiency (i.e., 90-day letter). As a result, the taxpayer loses the opportunity to resolve his or her tax dispute through an administrative appeal, and the taxpayer's only recourse is to pay the tax or file suit in the Tax Court. To prevent this situation, the bill requires the IRS to issue a notice of proposed deficiency and permits the taxpayer to appeal any proposed adjustments to the Office of Appeals. This section is intended to encourage disputes to be resolved at the agency level without the enormous costs to the taxpayer of litigation.

TITLE II—PENALTY REFORM

Section 201. Imposition of interest on penalties only after a taxpayer's failure to pay

Currently, interest on most penalties imposed by the IRS is retroactively applied back to the due date for the taxpayer's return. As a result, such interest amounts to an additional hidden penalty, which can increase a taxpayer's tax bill enormously. The bill provides that interest on a penalty begins to run only after the time has expired for the taxpayer to pay the bill.

Section 202. Repeal of the penalty for substantial understatement of income tax

To simplify the penalty rules, the bill repeals the penalty for substantial understatement of income tax. In most cases involving a substantial understatement, the existing negligence penalty will also apply. As a result, there will still be a deterrent against taxpayers who attempt to cheat on their taxes. However, with the growing complexity of the tax code, it is possible for an innocent mistake to lead to a substantial understatement, and the bill will protect taxpayers in such cases.

Section 203. Repeal of the failure-to-pay penalty

The failure-to-pay penalties were originally enacted in the 1960s to compensate for the low rate of interest applied to an individual's tax liability, and for the fact that such interest was not compounded. Today, with interest compounded daily and adjusted for changes in the interest rate, these penalties are no longer needed and serve only as another hidden, second penalty. In addition, these penalties are often applied on top of accuracy-related penalties, resulting in total punishment of as much as 45 percent in noncriminal cases. To reduce the multiplicity of punishment on taxpayers who make mistakes, the bill repeals the failure-to-pay penalties.

TITLE III—INTERNAL REVENUE SERVICE RESTRUCTURING

Section 301. Internal Revenue Service Board of Governors and Commissioner of Internal Revenue

The bill creates an independent, full-time Board of Governors for the Internal Revenue Service (IRS), which will exercise top-level administrative management over the agency. The Board of Governors will have full responsibility, authority, and accountability for the IRS' enforcement activities, such as examinations and collections, which are often at the heart of taxpayer complaints about the IRS. In addition, the Board will oversee the Office of the Taxpayer Advocate and the Office of Appeals. While the bill keeps the formulation of tax policy within the purview of the Treasury Department, the Board of Governors will have a significant consultative role in such policy decisions.

The Board will consist of five members appointed by the President and confirmed by the Senate, and the members will have staggered five-year terms (i.e., one member will be appointed each year). Two of the members will be affiliated with the Republican party and two with the Democratic party. The fifth member will be the Commissioner of Internal Revenue, who will continue to be appointed by the President with Senate confirmation, subject to a 5-year term. The Commissioner will also serve as the Chairperson of the Board. Collectively, the members of the Board will represent experience and expertise in the needs and concerns of taxpayers, organization development, customer service, the operation of small businesses, the management of large businesses, information technology, and compliance.

Section 302. Restructuring of IRS operations along customer lines

The bill reorganizes the IRS' operations according to customer groups to provide ''one stop service'' for taxpayers with similar characteristics and needs. This structure will replace the current functional or ''one size fits all'' approach under which an IRS function, such as taxpayer services, examinations, or collections, handles all taxpayers. The new IRS under this section of the bill will have the following customer groups:

Individual taxpayers (subject to wage withholding).

Small business and self-employed individuals.

Large business.

Exempt organizations and pension plans.

Trusts and estates.

Other division deemed necessary by the Board of Governors.

Each customer group will be headed by an Assistant Commissioner and will have existing IRS functions such as taxpayer service, examinations, collections, and counsel operations dedicated to the specific needs of the individuals or businesses within the division. This structure will be required by law in order to make it permanent and prevent it from becoming just one of the many reorganization plans that the IRS has undertaken over the past several decades.

Section 303. Greater independence of the Taxpayer Advocate

The bill requires that the Taxpayer Advocate be appointed by and report directly to the Board of Governors. The Office of the Taxpayer Advocate will also be independent of all other functions of the IRS. Currently, the Taxpayer Advocate is appointed by and reports only to the Commissioner of Internal Revenue.

Section 304. Greater independence of the Office of Appeals

The section establishes a statutory Office of Appeals within the IRS, which will be independent of all other IRS functions. The Office of Appeals will be managed by a National Appeals Officer, who will be appointed by and report to the Board of Governors.

In order to ensure that the Office of Appeals is an impartial arbiter, the bill prohibits two practices that currently occur in the IRS' appeals process. Under the bill, an appeals officer will be precluded from addressing issues and arguments outside of those identified by the auditor. In addition, this section prohibits communications between an appeals officer and the auditor handling the case without the presence of the taxpayer or his or her representative.

Section 305. Improved IRS written communications to taxpayers and tax forms

The bill directs the Board of Governors to create a taxpayer-communications advisory group to provide a common-sense review process for all new and existing IRS written communications to taxpayers, such as standardized letters, notices and bills as well as forms and instructions. The advisory group's goal will be to ensure that all written communications are clear and easy to understand by the taxpayer to whom it is directed. If a document does not meet this minimum standard, the advisory group will recommend to the Board of Governors that the letter, notice, etc. be rewritten before it is used.

The members of the advisory group will be volunteers with at least one representative of individual taxpayers, small businesses and the self-employed, large businesses, trusts and estates, tax-exempt organizations, tax compliance professionals and other constituencies deemed necessary by the Board of Governors.

TITLE IV—ELECTRONIC FILING

Section 401. Goals for electronic filing and the electronic-filing advisory group

This section establishes a goal, but not a mandate, that paperless filing should be the preferred and most convenient means of filing tax and information returns in 80 percent of cases by the year 2007. In addition, this section calls on the Treasury Secretary to create an electronic-filing advisory group to ensure that the private sector has a role in the implementation of that goal. The advisory group will include representatives of individual taxpayers, small businesses and the self-employed, large businesses, trusts and estates, tax-exempt organizations, and the tax preparation and filing industries.

This section requires the Treasury Secretary, in consultation with the Board of Governors and the advisory group, to develop a strategic plan for implementing the electronic-filing goal. The plan will be subject to public notice and comment and to the requirements of the Regulatory Flexibility Act to ensure that the costs and burdens on taxpayers who decide to file electronically are minimized.

This section also provides authority for the IRS to promote the benefits of electronic filing and to provide appropriate incentives to encourage taxpayers to file electronically.

Section 402. Report on electronic filing and its effect on small businesses

The bill requires the IRS Board of Governors, the Treasury Secretary, and the electronic-filing advisory group to issue an annual report to Congress through 2008 that specifically addresses the effects of electronic filing on small business and its feasibility. In particular, the report will include a detailed description of the forms to be filed electronically, the equipment and technology required for compliance, cost of filing electronically, implementation plans, and efforts undertaken to coordinate Federal, state and local filing requirements including the possibility of one-stop filing.

TITLE V—REGULATORY REFORM

Section 501. Congressional review of Internal Revenue Service rules that increase revenue

The bill includes the provisions of the Stealth Tax Prevention Act of 1997 (S. 831), which will provide Congress with a 60-day window to review any final IRS rule that raises revenue.

Under the bill, Congress will have expedited procedures to enact a joint resolution of disapproval to overrule the IRS rule before it takes effect. The primary example of this situation is the IRS' 1997 proposed regulations defining who is a limited partner for self-employment tax purposes (now known as the ''stealth tax regulations''), which is currently subject to a Congressionally imposed moratorium.

Section 502. Small Business Advocacy Panels for the IRS

The bill requires the IRS to increase small business participation in agency rulemaking

activities by convening a Small Business Advocacy Review Panel for a proposed rule with a significant economic impact on small entities. For such rules, the IRS will have to notify SBA's Chief Counsel of Advocacy that the rule is under development and provide sufficient information so that the Chief Counsel can identify affected small entities and gather advice and comments on the effects of the proposed rule. A Small Business Advocacy Review Panel, comprising Federal government employees from the IRS, the Office of Advocacy, and OMB, must be convened to review the proposed rule and to collect comments from small businesses. Within 60 days, the panel will have to issue a report of the comments received from small entities and the panel's findings, which will become part of the public record. As appropriate, the IRS may modify the rule or the initial Reg Flex analysis (or its decision on whether a Reg Flex analysis is required) based on the panel's report.

Currently, the requirement for Small Business Advisory Panels applies to the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA). By expanding it to the IRS, the bill will ensure that the views of small businesses are taken into account early in the process of developing new rules and regulations and that the IRS will take action to reduce the burdens of such rules on these small enterprises.

Section 503. Taxpayer's election with respect to recovery of costs and certain fees

Under the Internal Revenue Code, a taxpayer may recover costs and fees, including attorney's fees, against the IRS if he or she prevails and the IRS' litigation position was not substantially justified. The Equal Access to Justice Act (EAJA) permits a small business to recover such costs when an unreasonable agency demand for fines or civil penalties is not sustained in court or in an administrative proceeding. In addition, a small business may also recover such costs and fees under the EAJA when it is the prevailing party and the agency enforcement action is not substantially justified. Currently, the EAJA prohibits a taxpayer seeking to recover costs and fees in an IRS enforcement action from doing so under the EAJA if the fees and costs can be recovered under the Internal Revenue Code.

The bill permits taxpayers to elect whether to pursue recovery of attorney's fees and expenses under the Equal Access to Justice Act (''EAJA'') or the Internal Revenue Code.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1670. A bill to amend the Alaskan Native Claims Settlement Act to provide for selection of lands by certain veterans of the Vietnam era; to the Committee on Energy and Natural Resources.

THE ALASKA NATIVE VIETNAM VETERANS ALLOTMENT OPEN SEASON ACT OF 1998

Mr. MURKOWSKI. Mr. President, I am pleased to rise today to introduce on behalf of myself and Senator STEVENS, legislation that will provide Alaska Native Veterans of the Vietnam era, from 1964–75, a chance to apply for Native Allotments. Because these brave men and women were outside of the country, serving America with distinction, they missed the opportunity to apply for these allotments. Our bill will create a year-long open season for these veterans and their heirs to apply for and select allotment parcels.

The Alaska Native Allotment Act, in effect from 1906–71, allowed Alaska Natives who had continuous use of either vacant land or certain mineral lands set aside for federal use, the opportunity to apply for, select, and ultimately be granted conveyance of these lands. Alaska Native Vietnam Veterans did not receive the outreach and assistance in applying that other Alaska Natives received during the time the act was in effect, and were effectively denied the opportunity to apply for allotments when they were serving their country. Our legislation calls for the same standards that were in effect under the Allotment Act be used to evaluate these new applications. It calls for DOI to develop rules to implement this bill, in consultation with Alaska Native groups. Congressman YOUNG has introduced a companion measure in the House, and our respective committees plan to hold hearings this winter on these pieces of legislation.

Mr. President, I am pleased that my 1995 authorizing legislation, Public Law 104–2, that required the Department of the Interior to produce a report on the possible impacts of allotment legislation, has led to this day. The time has come to give these veterans the opportunity to join their fellow Alaska Natives in reaping the benefits of the historic Alaska Native Allotment Act.

By Mr. BENNETT (for himself and Mr. DODD):

S. 1671. A bill to address the Year 2000 computer problems with regard to financial institutions, to extend examination parity to the Director of the Office of Thrift Supervision and the National Credit Union Administration, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE EXAMINATION PARITY AND YEAR 2000 READINESS FOR FINANCIAL INSTITUTIONS ACT

Mr. BENNETT. Mr. President, I rise today, with my esteemed colleague Senator DODD, to address an issue of significant import. Almost all of our nation's commercial banks, thrifts, and credit unions are regulated and insured. This brings great peace of mind to the American public. We all rest easier knowing that our funds, held by our insured and regulated financial institutions, are protected by (a) an insurance fund, (b) a safety and soundness regulator, and (c) the full faith and credit of the US Treasury. In order to continue this tradition of safe and sound banking practice, we need to ensure that banking law stays abreast of current practices in the market place and that our banks have the most up-to-date information available on upcoming issues affecting the safety and soundness of their operations.

The Bill we introduce today has a two-fold purpose. It grants the Office of Thrift Supervision (OTS) and the National Credit Union Administration (NCUA) the authority to examine third party service organizations which have assumed more of the traditional bank functions. This bill will make OTS and NCUA comparable to the Office of the Controller of the Currency and the Federal Deposit Insurance Corporation in their ability to ensure safe and sound banking practices as they relate to third party service organizations. This Bill also requires federal financial regulatory agencies to hold seminars for financial institutions on the implications of the Year 2000 (Y2K) problem for safe and sound operations, and to provide model approaches for solving common Y2K problems.

The authorities proposed for the NCUA and OTS have been requested by both regulatory agencies. NCUA ''strongly supports [this proposal] and urges its quick enactment.'' OTS, in separate letters to Senator DODD and myself, refers to the current situation as an ''obstacle'' to their supervisory efforts and a ''statutory deficiency''. OTS Director Seidman further states ''I support your efforts. . . . I have asked my staff to cooperate fully with Senate Banking Committee staff to address any concerns you may have regarding this provision.''

OTS staff has been very helpful in this effort and I want to take this opportunity to thank OTS Director Seidman for her assistance as well as Ms Deborah Dakins. I also want to express appreciation to the Senate Banking Committee staff, especially Mr. Andrew Lowenthal, and my own Subcommittee staff for their efforts.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Examination Parity and Year 2000 Readiness for Financial Institutions Act''.

SEC. 2. YEAR 2000 READINESS FOR FINANCIAL INSTITUTIONS.

(a) FINDINGS.—The Congress finds that—

(1) the Year 2000 computer problem poses a serious challenge to the American economy, including the Nation's banking and financial services industries;

(2) thousands of banks, savings associations, and credit unions rely heavily on internal information technology and computer systems, as well as outside service providers, for mission-critical functions, such as check clearing, direct deposit, accounting, automated teller machine networks, credit card processing, and data exchanges with domestic and international borrowers, customers, and other financial institutions; and

(3) Federal financial regulatory agencies must have sufficient examination authority to ensure that the safety and soundness of the Nation's financial institutions will not be at risk.

(b) DEFINITIONS.—For purposes of this section—

(1) the terms ''depository institution'' and ''Federal banking agency'' have the same meanings as in section 3 of the Federal Deposit Insurance Act;

(2) the term ''Federal home loan bank'' has the same meaning as in section 2 of the Federal Home Loan Bank Act;

(3) the term ''Federal reserve bank'' means a reserve bank established under the Federal Reserve Act;

(4) the term ''insured credit union'' has the same meaning as in section 101 of the Federal Credit Union Act; and

(5) the term ''Year 2000 computer problem'' means, with respect to information technology, any problem which prevents such technology from accurately processing, calculating, comparing, or sequencing date or time data—

(A) from, into, or between—

(i) the 20th and 21st centuries; or

(ii) the years 1999 and 2000; or

(B) with regard to leap year calculations.

(c) SEMINARS AND MODEL APPROACHES TO YEAR 2000 COMPUTER PROBLEM.—

(1) SEMINARS.—

(A) IN GENERAL.—Each Federal banking agency and the National Credit Union Administration Board shall offer seminars to all depository institutions and insured credit unions under the jurisdiction of such agency on the implication of the Year 2000 computer problem for—

(i) the safe and sound operations of such depository institutions and credit unions; and

(ii) transactions with other financial institutions, including Federal reserve banks and Federal home loan banks.

(B) CONTENT AND SCHEDULE.—The content and schedule of seminars offered pursuant to subparagraph (A) shall be determined by each Federal banking agency and the National Credit Union Administration Board taking into account the resources and examination priorities of such agency.

(2) MODEL APPROACHES.—

(A) IN GENERAL.—Each Federal banking agency and the National Credit Union Administration Board shall make available to each depository institution and insured credit union under the jurisdiction of such agency model approaches to common Year 2000 computer problems, such as model approaches with regard to project management, vendor contracts, testing regimes, and business continuity planning.

(B) VARIETY OF APPROACHES.—In developing model approaches to the Year 2000 computer problem pursuant to subparagraph (A), each Federal banking agency and the National Credit Union Administration Board shall take into account the need to develop a variety of approaches to correspond to the variety of depository institutions or credit unions within the jurisdiction of the agency.

(3) COOPERATION.—In carrying out this section, the Federal banking agencies and the National Credit Union Administration Board may cooperate and coordinate their activities with each other, the Financial Institutions Examination Council, and appropriate organizations representing depository institutions and credit unions.

SEC. 3. REGULATION AND EXAMINATION OF SERVICE PROVIDERS.

(a) REGULATION AND EXAMINATION OF SAVINGS ASSOCIATION SERVICE COMPANIES.—

(1) AMENDMENT TO HOME OWNERS' LOAN ACT.—Section 5(d) of the Home Owners' Loan Act (12 U.S.C. 1464(d)) is amended by adding at the end the following:

''(7) REGULATION AND EXAMINATION OF SAVINGS ASSOCIATION SERVICE COMPANIES, SUBSIDIARIES, AND SERVICE PROVIDERS.—

''(A) GENERAL EXAMINATION AND REGULATORY AUTHORITY.—A service company or subsidiary that is owned in whole or in part by a savings association shall be subject to examination and regulation by the Director to the same extent as that savings association.

''(B) EXAMINATION BY OTHER BANKING AGENCIES.—The Director may authorize any other Federal banking agency that supervises any other owner of part of the service company or subsidiary to perform an examination described in subparagraph (A).

''(C) APPLICABILITY OF SECTION 8 OF THE FEDERAL DEPOSIT INSURANCE ACT.—A service company or subsidiary that is owned in whole or in part by a saving association shall be subject to the provisions of section 8 of the Federal Deposit Insurance Act as if the service company or subsidiary were an insured depository institution. In any such case, the Director shall be deemed to be the appropriate Federal banking agency, pursuant to section 3(q) of the Federal Deposit Insurance Act.

''(D) SERVICE PERFORMED BY CONTRACT OR OTHERWISE.—Notwithstanding subparagraph (A), if a savings association, a subsidiary thereof, or any savings and loan affiliate or entity, as identified by section 8(b)(9) of the Federal Deposit Insurance Act, that is regularly examined or subject to examination by the Director, causes to be performed for itself, by contract or otherwise, any service authorized under this Act or, in the case of a State savings association, any applicable State law, whether on or off its premises—

''(i) such performance shall be subject to regulation and examination by the Director to the same extent as if such services were being performed by the savings association on its own premises; and

''(ii) the savings association shall notify the Director of the existence of the service relationship not later than 30 days after the earlier of—

''(I) the date on which the contract is entered into; or

''(II) the date on which the performance of the service is initiated.

''(E) ADMINISTRATION BY THE DIRECTOR.—The Director may issue such regulations and orders, including those issued pursuant to section 8 of the Federal Deposit Insurance Act, as may be necessary to enable the Director to administer and carry out this paragraph and to prevent evasion of this paragraph.

''(8) DEFINITIONS.—For purposes of this section—

''(A) the term 'service company' means—

''(i) any corporation—

''(I) that is organized to perform services authorized by this Act or, in the case of a corporation owned in part by a State savings association, authorized by applicable State law; and

''(II) all of the capital stock of which is owned by 1 or more insured savings associations; and

''(ii) any limited liability company—

''(I) that is organized to perform services authorized by this Act or, in the case of a company, 1 of the members of which is a State savings association, authorized by applicable State law; and

''(II) all of the members of which are 1 or more insured savings associations;

''(B) the term 'limited liability company' means any company, partnership, trust, or similar business entity organized under the law of a State (as defined in section 3 of the Federal Deposit Insurance Act) that provides that a member or manager of such company is not personally liable for a debt, obligation, or liability of the company solely by reason of being, or acting as, a member or manager of such company; and

''(C) the terms 'State savings association' and 'subsidiary' have the same meanings as in section 3 of the Federal Deposit Insurance Act.''.

(2) CONFORMING AMENDMENTS TO SECTION 8 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended—

(A) in subsection (b)(9), by striking ''to any service corporation of a savings association and to any subsidiary of such service corporation'';

(B) in subsection (e)(7)(A)(ii), by striking ''(b)(8)'' and inserting ''(b)(9)''; and

(C) in subsection (j)(2), by striking ''(b)(8)'' and inserting ''(b)(9)''.

(b) REGULATION AND EXAMINATION OF SERVICE PROVIDERS FOR CREDIT UNIONS.—Title II of the Federal Credit Union Act (12 U.S.C. 1781 et seq.) is amended by inserting after section 206 the following new section:

''SEC. 206A. REGULATION AND EXAMINATION OF CREDIT UNION ORGANIZATIONS AND SERVICE PROVIDERS.

''(a) REGULATION AND EXAMINATION OF CREDIT UNION ORGANIZATIONS.—

''(1) GENERAL EXAMINATION AND REGULATORY AUTHORITY.—A credit union organization shall be subject to examination and regulation by the Board to the same extent as that insured credit union.

''(2) EXAMINATION BY OTHER BANKING AGENCIES.—The Board may authorize to make an examination of a credit union organization in accordance with paragraph (1)—

''(A) any Federal regulator agency that supervises any activity of a credit union organization; or

''(B) any Federal banking agency that supervises any other person who maintains an ownership interest in a credit union organization.

''(b) APPLICABILITY OF SECTION 206.—A credit union organization shall be subject to the provisions of section 206 as if the credit union organization were an insured credit union.

''(c) SERVICE PERFORMED BY CONTRACT OR OTHERWISE.—Notwithstanding subsection (a), if an insured credit union or a credit union organization that is regularly examined or subject to examination by the Board, causes to be performed for itself, by contract or otherwise, any service authorized under this Act or, in the case of a State credit union, any applicable State law, whether on or off its premises—

''(1) such performance shall be subject to regulation and examination by the Board to the same extent as if such services were being performed by the insured credit union or credit union organization itself on its own premises; and

''(2) the insured credit union or credit union organization shall notify the Board of the existence of the service relationship not later than 30 days after the earlier of—

''(A) the date on which the contract is entered into; or

''(B) the date on which the performance of the service is initiated.

''(d) ADMINISTRATION BY THE BOARD.—The Board may issue such regulations and orders as may be necessary to enable the Board to administer and carry out this section and to prevent evasion of this section.

''(e) DEFINITIONS.—For purposes of this section—

''(1) the term 'credit union organization' means any entity that—

''(A) is not a credit union;

''(B) is an entity in which an insured credit union may lawfully hold an ownership interest or investment; and

''(C) is owned in whole or in part by an insured credit union; and

''(2) the term 'Federal banking agency' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

''(f) EXPIRATION OF AUTHORITY.—This section and all powers and authority of the Board under this section shall cease to be effective as of December 31, 2001.''.

Mr. DODD. Mr. President. I am very pleased to join with Senator BENNETT to introduce the ''Examination Parity and Year 2000 Readiness For Financial Institutions Act.'' This legislation, while technical in nature, will provide badly needed authority and guidance to Federal financial regulators to help their supervised institutions cope with the Year 2000 computer problem.

The Year 2000—or Y2K—computer problem is caused by the inability of most of the major financial systems to process the year 2000 as the one that follows the year 1999. This is caused by the fact that basic computer code, much of it written as many as thirty years ago, reads dates as two-digits, ''98'' or ''99,'' instead of four digits ''1999'' or ''2000.'' If left untreated, computers will read the year 2000 as the years 1900, 1980 or some other default date. The result is not only erroneous calculations, but the total crash of many critical financial systems.

Federal financial regulators have been very active, of late, in helping their supervised institutions prepare for this extremely dangerous problem. However, both the Office of Thrift Supervision and the National Credit Union Administration have notified Senator BENNETT and I that they lack the authority to examine the Year 2000 preparations of service providers to thrifts and credit unions. Currently, other federal financial regulators—the Federal Reserve, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation—have this authority.

These service providers perform many of the key transaction and data processing for federally-insured thrifts and credit unions, particularly smaller institutions for whom it is not cost-effective to establish their own computer systems. As a result, it is imperative to the safety and soundness of these institutions for the regulators to be able to establish that their service providers will be Year 2000 compliant.

The legislation also contains provisions that require all financial regulators to hold seminars to educate their respective supervised institutions and, to the maximum extent possible, provide model solutions for fixing the problem. The beneficial impact of such outreach and education efforts for federally-insured institutions is self-evident.

Mr. President, the Year 2000 problem is one that we will have to confront in many more ways than this legislation. The extent of the problem goes well beyond the financial services industry to affect virtually every segment of our nation's economy. But this sensible bill is a good first step to ensuring that Federal financial regulators have the tools necessary to address the problem in their area of jurisdiction.

By Mr. DASCHLE (for himself and Mr. JOHNSON):

S. 1672. A bill to expand the authority of the Secretary of the Army to improve the control of erosion on the Missouri River; to the Committee on Environment and Public Works.

THE MISSOURI RIVER EROSION CONTROL ACT OF 1998

Mr. DASCHLE. Mr. President, it is my pleasure today to introduce the Missouri River Erosion Control Act of 1998, a bill to provide much-needed assistance to homeowners who live along the Missouri River. Over the past several years, many South Dakotans have seen property values drop and homes nearly destroyed by shoreline erosion. This legislation will help these families to work with the U.S. Army Corps of Engineers to take responsible steps to prevent these problems. My colleague, Senator JOHNSON, is joining me as an original cosponsor of this legislation.

While erosion occurs naturally on any river, shorelines on the Missouri are particularly vulnerable to it. Releases from the hydroelectric dams that span the river in South Dakota cause its depth and speed to fluctuate drastically, sometimes with dangerous consequences. Following last year's flooding disaster, the rapid, swirling current caused by sustained high releases from the dams swept away half an acre of land near Burbank, South Dakota, in just 3 hours. A subsequent release destroyed an additional 40 feet of land, bringing the river's edge to the foundation of the home of Neil and Eileen Helvig. Thanks to last minute work by the Corps of Engineers to stabilize the shoreline, the Helvig's home, and several others nearby, were saved. However, this is not the only case when bank erosion has posed a threat to residential homes and without a comprehensive program in place to provide help to others in need, we may not be so lucky in the future.

Over the last several years, Mrs. Lois Hyde of rural Lake Andes has watched the river work its way to within a stone's throw of her home—an original homestead first settled by her family over 100 years ago. Without additional help, it is likely that she may be forced to abandon her farm. I believe it is our responsibility to give individuals like her the help they need to protect their homes.

The Missouri River Erosion Control Act of 1998 will give homeowners the opportunity to take responsible steps to protect their property. The bill amends current law to permit homeowners to work in partnership with the U.S. Army Corps of Engineers to take steps to stabilize their shoreline. Under the my bill, the Corps of Engineers will accept applications from private property owners along the Missouri River and rank those applications in order of need. The most vulnerable stretches of the shoreline would then be targeted for assistance. Like other erosion control programs, the bill requires a 35 percent non-federal cost share, while the federal government will provide the other 65 percent of the cost.

For many years the Corps of Engineers has been reluctant to work with private property owners to prevent damage to private property from erosion. Nevertheless, new circumstances require new thinking. Particularly in the wake of last year's disaster in South Dakota, circumstances have made it clear that we must help families take the steps they need to protect their homes. Homeowners want to take responsible measures to protect their property. We must give them that opportunity. I urge my colleagues to join me in support of this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Missouri River Erosion Control Act of 1998''.

SEC. 2. MISSOURI RIVER EROSION CONTROL.

Section 9(f) of the Act entitled ''An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes'', approved December 22, 1944 (102 Stat. 4031)), is amended—

(1) by striking ''(f) The'' and inserting the following:

''(f) MISSOURI RIVER BETWEEN FORT PECK DAM, MONTANA, AND A POINT BELOW GAVINS POINT DAM, SOUTH DAKOTA AND NEBRASKA.—

''(1) IN GENERAL.—The'';

(2) in the first sentence of paragraph (1) (as designated by paragraph (1)), by striking ''58'' and inserting ''77'';

(3) in the second sentence—

(A) by striking ''The cost'' and inserting the following:

''(2) COSTS.—

''(A) MAXIMUM.—The cost''; and

(B) by striking ''$3,000,000'' and inserting ''$6,000,000'';

(4) in the third sentence, by striking ''Notwithstanding'' and inserting the following:

''(B) APPORTIONMENT AMONG PROJECT PURPOSES.—Notwithstanding'';

(5) in the last sentence, by striking ''In lieu'' and inserting the following:

''(3) ACQUISITION OF LAND.—

''(A) IN GENERAL.—In lieu'';

(6) in paragraph (3) (as designated by paragraph (5)), by adding at the end the following:

''(B) RECREATIONAL RIVER SEGMENTS.—Notwithstanding the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.), in the case of a segment of the Missouri River in the State of South Dakota that is administered as a recreational river under section 3(a) of that Act (16 U.S.C. 1274(a)), the Secretary of the Army may acquire, from willing sellers, such real estate interests as the Secretary determines are necessary to carry out this subsection.''; and

(7) by adding at the end the following:

''(4) MEASURES ON BEHALF OF NON-FEDERAL ENTITIES.—The Secretary of the Army may undertake measures authorized by paragraph (1) at the request of, or on behalf of, a non-Federal public or private entity or individual with respect to land owned by the entity or individual as of the date of enactment of this paragraph, if a non-Federal interest described in section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)) agrees in writing to provide 35 percent of the cost of the measures to be undertaken.''.

ADDITIONAL COSPONSORS

S. 230

At the request of Mr. THURMOND, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 230, a bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes.

S. 314

At the request of Mr. THOMAS, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 314, a bill to require that the Federal Government procure from the private sector the goods and services necessary for the operations and management of certain Government agencies, and for other purposes.

S. 358

At the request of Mr. DEWINE, the names of the Senator from Michigan (Mr. ABRAHAM) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 358, a bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

S. 375

At the request of Mr. MCCAIN, the names of the Senator from Missouri (Mr. BOND) and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of S. 375, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 1067

At the request of Mr. KERRY, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1067, a bill to prohibit United States military assistance and arms transfers to foreign governments that are undemocratic, do not adequately protect human rights, are engaged in acts of armed aggression, or are not fully participating in the United Nations Register of Conventional Arms.

S. 1163

At the request of Mr. BRYAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1163, a bill to amend the Truth in Lending Act to prohibit the distribution of any negotiable check or other instrument with any solicitation to a consumer by a creditor to open an account under any consumer credit plan or to engage in any other credit transaction which is subject to that Act, and for other purposes.

S. 1194

At the request of Mr. LOTT, his name was added as a cosponsor of S. 1194, a bill to amend title XVIII of the Social Security Act to clarify the right of medicare beneficiaries to enter into private contracts with physicians and other health care professionals for the provision of health services for which no payment is sought under the medicare program.

S. 1251

At the request of Mr. D'AMATO, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1251, a bill to amend the Internal Revenue Code of 1986 to increase the amount of private activity bonds which may be issued in each State, and to index such amount for inflation.

S. 1252

At the request of Mr. D'AMATO, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1252, a bill to amend the Internal Revenue Code of 1986 to increase the amount of low-income housing credits which may be allocated in each State, and to index such amount for inflation.

S. 1260

At the request of Mr. GRAMM, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1260, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes.

S. 1283

At the request of Mr. BUMPERS, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1283, A bill to award Congressional gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred collectively as the ''Little Rock Nine'' on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas.

S. 1365

At the request of Ms. MIKULSKI, the names of the Senator from South Carolina (Mr. HOLLINGS) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 1365, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 1396

At the request of Mr. JOHNSON, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1396, A bill to amend the Child Nutrition Act of 1966 to expand the School Breakfast Program in elementary schools.

S. 1422

At the request of Mr. MCCAIN, the names of the Senator from South Dakota (Mr. JOHNSON), the Senator from Montana (Mr. BAUCUS), and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 1422, a bill to amend the Communications Act of 1934 to promote competition in the market for delivery of multichannel video programming and for other purposes.

S. 1481

At the request of Mr. DEWINE, the names of the Senator from Mississippi (Mr. COCHRAN), the Senator from Michigan (Mr. LEVIN), the Senator from North Dakota (Mr. DORGAN), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 1481, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare program, to provide for continued entitlement for such drugs for certain individuals after medicare benefits end, and to extend certain medicare secondary payer requirements.

S. 1570

At the request of Mr. FAIRCLOTH, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 1570, a bill to limit the amount of attorneys' fees that may be paid on behalf of States and other plaintiffs under the tobacco settlement.

S. 1580

At the request of Mr. SHELBY, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of S. 1580, a bill to amend the Balanced Budget Act of 1997 to place an 18-month moratorium on the prohibition of payment under the medicare program for home health services consisting of venipuncture solely for the purpose of obtaining a blood sample, and to require the Secretary of Health and Human Services to study potential fraud and abuse under such program with respect to such services.

S. 1631

At the request of Mr. HUTCHINSON, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 1631, a bill to amend the General Education Provisions Act to allow parents access to certain information.

SENATE JOINT RESOLUTION 30

At the request of Mr. WARNER, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of Senate Joint Resolution 30, a joint resolution designating March 1, 1998 as ''United States Navy Asiatic Fleet Memorial Day'', and for other purposes.

SENATE JOINT RESOLUTION 40

At the request of Mr. HATCH, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of Senate Joint Resolution 40, a joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

SENATE RESOLUTION 114

At the request of Mr. TORRICELLI, the name of the Senator from Ohio (Mr.

DEWINE) was added as a cosponsor of Senate Resolution 114, a resolution expressing the sense of the Senate that the transfer of Hong Kong to the People's Republic of China not alter the current or future status of Taiwan as a free and democratic country.

SENATE RESOLUTION 175

At the request of Mr. ROBB, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Nevada (Mr. BRYAN), the Senator from South Dakota (Mr. DASCHLE), the Senator from New York (Mr. D'AMATO), the Senator from Kentucky (Mr. FORD), the Senator from North Carolina (Mr. HELMS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mrs. MURRAY), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. TORRICELLI), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of Senate Resolution 175, a resolution to designate the week of May 3, 1998 as ''National Correctional Officers and Employees Week.''

AMENDMENTS SUBMITTED ON FEBRUARY 23, 1998

THE PAYCHECK PROTECTION ACT

MCCAIN (AND OTHERS) AMENDMENT NO. 1646

Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Ms. COLLINS, Mr. LEVIN, and Mr. CLELAND) proposed an amendment to the bill (S. 1663) to protect individuals from having their money involuntarily collected and used for politics by a corporation or labor organization; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Campaign Reform Act of 1997''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. 324. SOFT MONEY OF POLITICAL PARTIES.

''(a) NATIONAL COMMITTEES.—

''(1) IN GENERAL.—A national committee of a political party (including a national congressional campaign committee of a political party) and any officers or agents of such party committees, shall not solicit, receive, or direct to another person a contribution, donation, or transfer of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.—This subsection shall apply to an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee of a political party (including a national congressional campaign committee of a political party), or an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—An amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity) for Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) FEDERAL ELECTION ACTIVITY.—

''(A) IN GENERAL.—The term 'Federal election activity' means—

''(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

''(ii) voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot); and

''(iii) a communication that refers to a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and is made for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).

''(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

''(i) campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, provided the campaign activity is not a Federal election activity described in subparagraph (A);

''(ii) a contribution to a candidate for State or local office, provided the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

''(iii) the costs of a State, district, or local political convention;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, that name or depict only a candidate for State or local office;

''(v) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of an individual who spends more than 20 percent of the individual's time on Federal election activity) as determined by a regulation promulgated by the Commission to determine the non-Federal share of a State, district, or local party committee's administrative and overhead expenses; and

''(vi) the cost of constructing or purchasing an office facility or equipment for a State, district or local committee.

''(c) FUNDRAISING COSTS.—An amount spent by a national, State, district, or local committee of a political party, by an entity that is established, financed, maintained, or controlled by a national, State, district, or local committee of a political party, or by an agent or officer of any such committee or entity, to raise funds that are used, in whole or in part, to pay the costs of a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party, an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, an agent acting on behalf of any such party committee, and an officer or agent acting on behalf of any such party committee or entity), shall not solicit any funds for, or make or direct any donations to, an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application to the Secretary of the Internal Revenue Service for determination of tax-exemption under such section).

''(e) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not solicit, receive, direct, transfer, or spend funds for a Federal election activity on behalf of such candidate, individual, agent or any other person, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

''(A) STATE LAW.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for any activity other than a Federal election activity.

''(B) FUNDRAISING EVENTS.—Paragraph (1) does not apply in the case of a candidate who attends, speaks, or is a featured guest at a fundraising event sponsored by a State, district, or local committee of a political party.''.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C)—

(A) by inserting ''(other than a committee described in subparagraph (D))'' after ''committee''; and

(B) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(D) to a political committee established and maintained by a State committee of a political party in any calendar year that, in the aggregate, exceed $10,000''.

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$30,000''.

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 203) is amended by adding at the end the following:

''(e) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 324 APPLIES.—A political committee (not described in paragraph (1)) to which section 324(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (2) and (3)(A)(v) of section 324(b).

''(3) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

''(4) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).''.

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

SEC. 201. DEFINITIONS.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—

''(A) IN GENERAL.—The term 'independent expenditure' means an expenditure by a person—

''(i) for a communication that is express advocacy; and

''(ii) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

''(20) EXPRESS ADVOCACY.—

''(A) IN GENERAL.—The term 'express advocacy' means a communication that advocates the election or defeat of a candidate by—

''(i) containing a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of 1 or more clearly identified candidates;

''(ii) referring to 1 or more clearly identified candidates in a paid advertisement that is broadcast by a radio broadcast station or a television broadcast station within 60 calendar days preceding the date of an election of the candidate and that appears in the State in which the election is occurring, except that with respect to a candidate for the office of Vice President or President, the time period is within 60 calendar days preceding the date of a general election; or

''(iii) expressing unmistakable and unambiguous support for or opposition to 1 or more clearly identified candidates when taken as a whole and with limited reference to external events, such as proximity to an election.

''(B) VOTING RECORD AND VOTING GUIDE EXCEPTION.—The term 'express advocacy' does not include a printed communication that—

''(i) presents information in an educational manner solely about the voting record or position on a campaign issue of 2 or more candidates;

''(ii) that is not made in coordination with a candidate, political party, or agent of the candidate or party; or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent;

''(iii) does not contain a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', or 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to urge the election or defeat of 1 or more clearly identified candidates.''.

(c) DEFINITION OF EXPENDITURE.—Section 301(9)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iii) a payment for a communication that is express advocacy; and

''(iv) a payment made by a person for a communication that—

''(I) refers to a clearly identified candidate;

''(II) is provided in coordination with the candidate, the candidate's agent, or the political party of the candidate; and

''(III) is for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).''.

SEC. 202. CIVIL PENALTY.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A)—

(i) in clause (i), by striking ''clause (ii)'' and inserting ''clauses (ii) and (iii)''; and

(ii) by adding at the end the following:

''(iii) If the Commission determines by an affirmative vote of 4 of its members that there is probable cause to believe that a person has made a knowing and willful violation of section 304(c), the Commission shall not enter into a conciliation agreement under this paragraph and may institute a civil action for relief under paragraph (6)(A).''; and

(B) in paragraph (6)(B), by inserting ''(except an action instituted in connection with a knowing and willful violation of section 304(c))'' after ''subparagraph (A)''; and

(2) in subsection (d)(1)—

(A) in subparagraph (A), by striking ''Any person'' and inserting ''Except as provided in subparagraph (D), any person''; and

(B) by adding at the end the following:

''(D) In the case of a knowing and willful violation of section 304(c) that involves the reporting of an independent expenditure, the violation shall not be subject to this subsection.''.

SEC. 203. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (7); and

(3) by inserting after paragraph (2) (as amended by paragraph (1)) the following:

''(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

''(A) shall be filed with the Commission; and

''(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.''.

SEC. 204. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking ''and (3)'' and inserting '', (3), and (4)''; and

(2) by adding at the end the following:

''(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

''(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

''(C) APPLICATION.—For the purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

''(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.''.

SEC. 205. COORDINATION WITH CANDIDATES.

(a) DEFINITION OF COORDINATION WITH CANDIDATES.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking ''or'' at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) anything of value provided by a person in coordination with a candidate for the purpose of influencing a Federal election, regardless of whether the value being provided is a communication that is express advocacy, in which such candidate seeks nomination or election to Federal office.''; and

(B) by adding at the end the following:

''(C) The term 'provided in coordination with a candidate' includes—

''(i) a payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee;

''(ii) a payment made by a person for the production, dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat);

''(iii) a payment made by a person based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with the intent that the payment be made;

''(iv) a payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position;

''(v) a payment made by a person if the person making the payment has served in any formal policy making or advisory position with the candidate's campaign or has participated in formal strategic or formal policymaking discussions with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made;

''(vi) a payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any person that has provided or is providing campaign-related services in the same election cycle to a candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the person retained is retained to work on activities relating to that candidate's campaign;

''(vii) a payment made by a person who has engaged in a coordinated activity with a candidate described in clauses (i) through (vi) for a communication that clearly refers to the candidate and is for the purpose of influencing an election (regardless of whether the communication is express advocacy);

''(viii) direct participation by a person in fundraising activities with the candidate or in the solicitation or receipt of contributions on behalf of the candidate;

''(ix) communication by a person with the candidate or an agent of the candidate, occurring after the declaration of candidacy (including a pollster, media consultant, vendor, advisor, or staff member), acting on behalf of the candidate, about advertising message, allocation of resources, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics, or strategy; or

''(x) the provision of in-kind professional services or polling data to the candidate or candidate's agent.

''(D) For purposes of subparagraph (C), the term 'professional services' includes services in support of a candidate's pursuit of nomination for election, or election, to Federal office such as polling, media advice, direct mail, fundraising, or campaign research.

''(E) For purposes of subparagraph (C), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.''.

(2) SECTION 315(a)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following:

''(B) a thing of value provided in coordination with a candidate, as described in section 301(8)(A)(iii), shall be considered to be a contribution to the candidate, and in the case of a limitation on expenditures, shall be treated as an expenditure by the candidate.

(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking ''shall include'' and inserting ''includes a contribution or expenditure, as those terms are defined in section 301, and also includes''.

TITLE III—DISCLOSURE

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES; FILING BY SENATE CANDIDATES WITH COMMISSION.

(a) USE OF COMPUTER AND FACSIMILE MACHINE.—Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

''(11)(A) The Commission shall promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in electronic form or an alternative form, including the use of a facsimile machine, if not required to do so under the regulation promulgated under clause (i).

''(B) The Commission shall make a designation, statement, report, or notification that is filed electronically with the Commission accessible to the public on the Internet not later than 24 hours after the designation, statement, report, or notification is received by the Commission.

''(C) In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulation. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

(b) SENATE CANDIDATES FILE WITH COMMISSION.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended—

(1) in section 302, by striking subsection (g) and inserting the following:

''(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.''; and

(2) in section 304—

(A) in subsection (a)(6)(A), by striking ''the Secretary or''; and

(B) in the matter following subsection (c)(2), by striking ''the Secretary or''.

SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS WITH INCOMPLETE CONTRIBUTOR INFORMATION.

Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

''(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of a candidate's authorized committee shall not deposit, except in an escrow account, or otherwise negotiate a contribution from a person who makes an aggregate amount of contributions in excess of $200 during a calendar year unless the treasurer verifies that the information required by this section with respect to the contributor is complete.''.

SEC. 303. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1) IN GENERAL.—'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The selection of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least 4 members of the Commission.

''(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking ''6 months'' and inserting ''12 months''.

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE.

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking ''$200'' and inserting ''$50''; and

(2) by striking the semicolon and inserting '', except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person;''.

SEC. 305. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name; or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of the committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after ''SEC. 322.'' the following: ''(a) IN GENERAL.—''; and

(2) by adding at the end the following:

''(b) SOLICITATION OF CONTRIBUTIONS.—No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.''.

SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 103(c)) is amended by adding at the end the following:

''(g) DISBURSEMENTS OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person, other than a political committee or a person described in section 501(d) of the Internal Revenue Code of 1986, that makes an aggregate amount of disbursements in excess of $50,000 during a calendar year for activities described in paragraph (2) shall file a statement with the Commission—

''(A) on a monthly basis as described in subsection (a)(4)(B); or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

''(2) ACTIVITY.—The activity described in this paragraph is—

''(A) Federal election activity;

''(B) an activity described in section 316(b)(2)(A) that expresses support for or opposition to a candidate for Federal office or a political party; and

''(C) an activity described in subparagraph (C) of section 316(b)(2).

''(3) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(4) CONTENTS.—A statement under this section shall contain such information about the disbursements made during the reporting period as the Commission shall prescribe, including—

''(A) the aggregate amount of disbursements made;

''(B) the name and address of the person or entity to whom a disbursement is made in an aggregate amount in excess of $200;

''(C) the date made, amount, and purpose of the disbursement; and

''(D) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

(b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 201(b)) is amended by adding at the end the following:

''(21) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means an activity that promotes a political party and does not promote a candidate or non-Federal candidate.''.

SEC. 308. CAMPAIGN ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(B) in paragraph (3), by inserting ''and permanent street address'' after ''name''; and

(2) by adding at the end the following:

''(c) Any printed communication described in subsection (a) shall—

''(1) be of sufficient type size to be clearly readable by the recipient of the communication;

''(2) be contained in a printed box set apart from the other contents of the communication; and

''(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any broadcast or cablecast communication described in paragraphs (1) or (2) of subsection (a) shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e) Any broadcast or cablecast communication described in paragraph (3) of subsection (a) shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: '_____ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.''.

TITLE IV—PERSONAL WEALTH OPTION

SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 101) is amended by adding at the end the following:

''SEC. 325. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

''(a) ELIGIBLE SENATE CANDIDATE.—

''(1) PRIMARY ELECTION.—

''(A) DECLARATION.—A candidate is an eligible primary election Senate candidate if the candidate files with the Commission a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

''(2) GENERAL ELECTION.—

''(A) DECLARATION.—A candidate is an eligible general election Senate candidate if the candidate files with the Commission—

''(i) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that the candidate and the candidate's authorized committees did not exceed the personal funds expenditure limit in connection with the primary election; and

''(ii) a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than 7 days after the earlier of—

''(i) the date on which the candidate qualifies for the general election ballot under State law; or

''(ii) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

''(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures that may be made in connection with an election by an eligible Senate candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed $50,000.

''(2) SOURCES.—A source is described in this paragraph if the source is—

''(A) personal funds of the candidate and members of the candidate's immediate family; or

''(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

''(c) CERTIFICATION BY THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this section and, based on the determination, issue a certification stating whether the candidate is an eligible Senate candidate.

''(2) TIME FOR CERTIFICATION.—Not later than 7 business days after a candidate files a declaration under paragraph (1) or (2) of subsection (a), the Commission shall certify whether the candidate is an eligible Senate candidate.

''(3) REVOCATION.—The Commission shall revoke a certification under paragraph (1), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate violates the personal funds expenditure limit.

''(4) DETERMINATIONS BY COMMISSION.—A determination made by the Commission under this subsection shall be final, except to the extent that the determination is subject to examination and audit by the Commission and to judicial review.

''(d) PENALTY.—If the Commission revokes the certification of an eligible Senate candidate—

''(1) the Commission shall notify the candidate of the revocation; and

''(2) the candidate and a candidate's authorized committees shall pay to the Commission an amount equal to the amount of expenditures made by a national committee of a political party or a State committee of a political party in connection with the general election campaign of the candidate under section 315(d).''.

SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED EXPENDITURES.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as amended by section 204) is amended by adding at the end the following:

''(5) This subsection does not apply to expenditures made in connection with the general election campaign of a candidate for the Senate who is not an eligible Senate candidate (as defined in section 325(a)).''.

TITLE V—MISCELLANEOUS

SEC. 501. CODIFICATION OF BECK DECISION.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following new subsection:

''(h) NONUNION MEMBER PAYMENTS TO LABOR ORGANIZATION.—

''(1) IN GENERAL.—It shall be an unfair labor practice for any labor organization which receives a payment from an employee pursuant to an agreement that requires employees who are not members of the organization to make payments to such organization in lieu of organization dues or fees not to establish and implement the objection procedure described in paragraph (2).

''(2) OBJECTION PROCEDURE.—The objection procedure required under paragraph (1) shall meet the following requirements:

''(A) The labor organization shall annually provide to employees who are covered by such agreement but are not members of the organization—

''(i) reasonable personal notice of the objection procedure, the employees eligible to invoke the procedure, and the time, place, and manner for filing an objection; and

''(ii) reasonable opportunity to file an objection to paying for organization expenditures supporting political activities unrelated to collective bargaining, including but not limited to the opportunity to file such objection by mail.

''(B) If an employee who is not a member of the labor organization files an objection under the procedure in subparagraph (A), such organization shall—

''(i) reduce the payments in lieu of organization dues or fees by such employee by an amount which reasonably reflects the ratio that the organization's expenditures supporting political activities unrelated to collective bargaining bears to such organization's total expenditures;

''(ii) provide such employee with a reasonable explanation of the organization's calculation of such reduction, including calculating the amount of organization expenditures supporting political activities unrelated to collective bargaining.

''(3) DEFINITION.—In this subsection, the term 'expenditures supporting political activities unrelated to collective bargaining' means expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.''.

SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

''SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

''(a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

''(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

''(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

''(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

''(4) for transfers to a national, State, or local committee of a political party.

''(b) PROHIBITED USE.—

''(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be converted by any person to personal use.

''(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

''(A) a home mortgage, rent, or utility payment;

''(B) a clothing purchase;

''(C) a noncampaign-related automobile expense;

''(D) a country club membership;

''(E) a vacation or other noncampaign-related trip;

''(F) a household food item;

''(G) a tuition payment;

''(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

''(I) dues, fees, and other payments to a health club or recreational facility.''.

SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.''.

SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended by—

(1) striking subsection (a) and inserting the following:

''(a) PROHIBITION.—

''(1) IN GENERAL.—It shall be unlawful for any person to solicit or receive a donation of money or other thing of value for a political committee or a candidate for Federal, State or local office from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not solicit a donation of money or other thing of value for a political committee or candidate for Federal, State or local office, while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

''(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.''.

(2) inserting in subsection (b) after ''Congress'' ''or Executive Office of the President''.

SEC. 505. PENALTIES FOR KNOWING AND WILLFUL VIOLATIONS.

(a) INCREASED PENALTIES.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraphs (5)(A), (6)(A), and (6)(B), by striking ''$5,000'' and inserting ''$10,000''; and

(2) in paragraphs (5)(B) and (6)(C), by striking ''$10,000 or an amount equal to 200 percent'' and inserting ''$20,000 or an amount equal to 300 percent''.

(b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking the period at the end and inserting '', and may include equitable remedies or penalties, including disgorgement of funds to the Treasury or community service requirements (including requirements to participate in public education programs).''.

(c) AUTOMATIC PENALTY FOR LATE FILING.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) PENALTY FOR LATE FILING.—

''(A) IN GENERAL.—

''(i) MONETARY PENALTIES.—The Commission shall establish a schedule of mandatory monetary penalties that shall be imposed by the Commission for failure to meet a time requirement for filing under section 304.

''(ii) REQUIRED FILING.—In addition to imposing a penalty, the Commission may require a report that has not been filed within the time requirements of section 304 to be filed by a specific date.

''(iii) PROCEDURE.—A penalty or filing requirement imposed under this paragraph shall not be subject to paragraph (1), (2), (3), (4), (5), or (12).

''(B) FILING AN EXCEPTION.—

''(i) TIME TO FILE.—A political committee shall have 30 days after the imposition of a penalty or filing requirement by the Commission under this paragraph in which to file an exception with the Commission.

''(ii) TIME FOR COMMISSION TO RULE.—Within 30 days after receiving an exception, the Commission shall make a determination that is a final agency action subject to exclusive review by the United States Court of Appeals for the District of Columbia Circuit under section 706 of title 5, United States Code, upon petition filed in that court by the political committee or treasurer that is the subject of the agency action, if the petition is filed within 30 days after the date of the Commission action for which review is sought.'';

(2) in paragraph (5)(D)—

(A) by inserting after the first sentence the following: ''In any case in which a penalty or filing requirement imposed on a political committee or treasurer under paragraph (13) has not been satisfied, the Commission may institute a civil action for enforcement under paragraph (6)(A).''; and

(B) by inserting before the period at the end of the last sentence the following: ''or has failed to pay a penalty or meet a filing requirement imposed under paragraph (13)''; and

(3) in paragraph (6)(A), by striking ''paragraph (4)(A)'' and inserting ''paragraph (4)(A) or (13)''.

SEC. 506. STRENGTHENING FOREIGN MONEY BAN.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: ''CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS''; and

(2) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—It shall be unlawful for—

''(1) a foreign national, directly or indirectly, to make—

''(A) a donation of money or other thing of value, or to promise expressly or impliedly to make a donation, in connection with a Federal, State, or local election to a political committee or a candidate for Federal office; or

''(ii) a contribution or donation to a committee of a political party; or

''(B) for a person to solicit, accept, or receive such contribution or donation from a foreign national.''.

SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 401) is amended by adding at the end the following:

''SEC. 326. PROHIBITION OF CONTRIBUTIONS BY MINORS.

An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.''.

SEC. 508. EXPEDITED PROCEDURES.

(a) IN GENERAL.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 505(c)) is amended by adding at the end the following:

''(14)(A) If the complaint in a proceeding was filed within 60 days preceding the date of a general election, the Commission may take action described in this subparagraph.

''(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur, the Commission may order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

''(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following:

''(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of title 26, United States Code, to the Attorney General of the United States, without regard to any limitation set forth in this section.''.

SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking ''reason to believe that'' and inserting ''reason to investigate whether''.

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 60 days after the date of enactment of this Act or January 1, 1998, whichever occurs first.

SEC. 604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 270 days after the effective date of this Act.

AMENDMENTS SUBMITTED ON FEBRUARY 24, 1998

THE PAYCHECK PROTECTION ACT

SNOWE (AND OTHERS) AMENDMENT NO. 1647

Ms. SNOWE (for herself, Mr. JEFFORDS, Mr. LEVIN, Mr. LIEBERMAN, Mr. MCCAIN, Mr. FEINGOLD, Mr. CHAFEE, Ms. COLLINS, and Mr. THOMPSON) proposed an amendment to amendment No. 1646 proposed by Mr. MCCAIN to the bill (S. 1663) to protect individuals from having their money involuntarily collected and used for politics by a corporation or labor organization; as follows:

Strike section 201 and insert:

Subtitle A—Electioneering Communications

SEC. 200. DISCLOSURE OF ELECTIONEERING COMMUNICATIONS.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) ADDITIONAL STATEMENTS ON ELECTIONEERING COMMUNICATIONS.—

''(1) STATEMENT REQUIRED.—Every person who makes a disbursement for electioneering communications in an aggregate amount in excess of $10,000 during any calendar year shall, within 24 hours of each disclosure date, file with the Commission a statement containing the information described in paragraph (2).

''(2) CONTENTS OF STATEMENT.—Each statement required to be filed under this subsection shall be made under penalty of perjury and shall contain the following information:

''(A) The identification of the person making the disbursement, of any entity sharing or exercising direction or control over the activities of such person, and of the custodian of the books and accounts of the person making the disbursement.

''(B) The State of incorporation and the principal place of business of the person making the disbursement.

''(C) The amount of each disbursement during the period covered by the statement and the identification of the person to whom the disbursement was made.

''(D) The elections to which the electioneering communications pertain and the names (if known) of the candidates identified or to be identified.

''(E) If the disbursements were paid out of a segregated account to which only individuals could contribute the names and addresses of all contributors who contributed an aggregate amount of $500 or more to that account during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(F) If the disbursements were paid out of funds not described in subparagraph (E), the names and addresses of all contributors who contributed an aggregate amount of $500 or more to the organization or any related entity during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(G) Whether or not any electioneering communication is made in coordination, cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee, any political party or committee, or any agent of the candidate, political party, or committee and if so, the identification of any candidate, party, committee, or agent involved.

''(3) ELECTIONEERING COMMUNICATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'electioneering communication' means any broadcast from a television or radio broadcast station which—

''(i) refers to a clearly identified candidate for Federal office;

''(ii) is made (or scheduled to be made) within—

''(I) 60 days before a general, special, or runoff election for such Federal office, or

''(II) 30 days before a primary or preference election, or a convention or caucus of a political party that has authority to nominate a candidate, for such Federal office, and

''(iii) is broadcast from a television or radio broadcast station whose audience includes the electorate for such election, convention, or caucus.

''(B) *Exceptions.*—Such term shall not include—

''(i) communications appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political committee, or candidate, or

''(ii) communications which constitute expenditures or independent expenditures under this Act.

''(4) DISCLOSURE DATE.—For purposes of this subsection, the term 'disclosure date' means—

''(A) the first date during any calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000, and

''(B) any other date during such calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000 since the most recent disclosure date for such calendar year.

''(5) CONTRACTS TO DISBURSE.—For purposes of this subsection, a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(6) COORDINATION WITH OTHER REQUIREMENTS.—Any requirement to report under this subsection shall be in addition to any other reporting requirement under this Act.''

SEC. 200A. COORDINATED COMMUNICATIONS AS CONTRIBUTIONS.

Section 315(a)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)(B)) is amended by inserting after clause (ii) the following new clause:

''(iii) if—

''(I) any person makes, or contracts to make, any payment for any electioneering communication (within the meaning of section 304(d)(3)), and

''(II) such payment is coordinated with a candidate for Federal office or an authorized committee of such candidate, a Federal, State, or local political party or committee thereof, or an agent or official of any such candidate, party, or committee.

such payment or contracting shall be treated as a contribution to such candidate and as an expenditure by such candidate; and''.

SEC. 200B. PROHIBITION OF CORPORATE AND LABOR DISBURSEMENTS FOR ELECTIONEERING COMMUNICATIONS.

(a) IN GENERAL.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by inserting ''or for any applicable electioneering communication'' before '', but shall not include''.

(b) APPLICABLE ELECTIONEERING COMMUNICATION.—Section 316 of such Act is amended by adding at the end the following new subsection:

''(c) RULES RELATING TO ELECTIONEERING COMMUNICATIONS.—

''(1) APPLICABLE ELECTIONEERING COMMUNICATION.—For purposes of this section, the term 'applicable electioneering communication' means an electioneering communication (within the meaning of section 304(d)(3)) which is made by—

''(A) any entity to which subsection (a) applies other than a section 501(c)(4) organization, or

''(B) a section 501(c)(4) organization from amounts derived from the conduct of a trade or business or from an entity described in subparagraph (A).

''(2) SPECIAL OPERATING RULES.—For purposes of paragraph (1), the following rules shall apply:

''(A) An electioneering communication shall be treated as made by an entity described in paragraph (1)(A) if—

''(i) the entity described in paragraph (1)(A) directly or indirectly disburses any amount for any of the costs of the communication; or

''(ii) any amount is disbursed for the communication by a corporation or organization or a State or local political party or committee thereof that receives anything of value from the entity described in paragraph (1)(A), except that this clause shall not apply to any communication the costs of which are defrayed entirely out of a segregated account to which only individuals can contribute.

''(B) A section 501(c)(4) organization that derives amounts from business activities or from any entity described in paragraph (1)(A) shall be considered to have paid for any communication out of such amounts unless such organization paid for the communication out of a segregated account to which only individuals can contribute.

''(3) DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) the term 'section 501(c)(4) organization' means—

''(ii) an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) an organization which has submitted an application to the Internal Revenue Service for determination of its status as an organization described in clause (i); and

''(B) a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(4) COORDINATION WITH INTERNAL REVENUE CODE.—Nothing in this subsection shall be construed to authorize an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 from carrying out any activity which is prohibited under such Code.''

Subtitle B—Independent and Coordinated Expenditures

SEC. 201. DEFINITION OF INDEPENDENT EXPENDITURE.

Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure by a person—

''(A) expressly advocating the election or defeat of a clearly identified candidate; and

''(B) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''

LOTT AMENDMENT NO. 1648

Mr. LOTT proposed an amendment to amendment No. 1647 proposed by Ms. SNOWE to the bill, S. 1663, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 200. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

LOTT AMENDMENT NO. 1649

Mr. LOTT proposed an amendment to the bill, S. 1663, supra; as follows:

In the language proposed to be stricken in the bill, strike all after the word ''political'' on page 2, line 23, and insert the following: ''party.

SECTION 3. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

LOTT AMENDMENT NO. 1650

Mr. LOTT proposed an amendment to amendment No. 1649 proposed by him to the bill, S. 1663, supra; as follows:

Strike all after the first word in the pending amendment and insert the following:

SECTION 3. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBTION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communication Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

LOTT AMENDMENT NO. 1651

Mr. LOTT proposed an amendment to the motion to commit proposed by him to the bill, S. 1663, supra; as follows:

At the end of the instructions add the following:

''with an amendment as follows:

Strike all after the enacting clause and insert the following:

SEC. 1. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.''

LOTT AMENDMENT NO. 1652

Mr. LOTT proposed an amendment to amendment No. 1651 proposed by him to the bill, S. 1663, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 1. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

LOTT AMENDMENT NO. 1653

Mr. LOTT proposed an amendment to amendment No. 1651 proposed by him to the bill, S. 1663, supra; as follows:

Strike all after the word ''section'' in the pending amendment and insert the following:

1. ELECTIONEERING COMMUNICATIONS.

(a) PROHIBITION.—None of the funds appropriated or otherwise made available to the Federal Communications Commission may be expended to impose or enforce any requirement or obligation with respect to the provision of free or discounted television broadcast time for campaign advertising unless such requirement or obligation is specifically and expressly authorized by title III of the Communications Act of 1934.

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

HUTCHISON AMENDMENTS NOS. 1654—1656

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted three amendments intended to be proposed by her to the bill, S. 1663, supra; as follows:

AMENDMENT NO. 1654

At the appropriate place, insert the following:

SEC. ___. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6)(A) of title 39, United States Code, is amended to read as follows:

''(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for election to any Federal office in that year (including the office held by the Member).''.

AMENDMENT NO. 1655

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON REIMBURSEMENT FROM CAMPAIGNS FOR CONTRIBUTIONS BY SENATE CANDIDATES AND IMMEDIATE FAMILIES OF SENATE CANDIDATES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. ___. LIMITATION ON REIMBURSEMENT FROM CAMPAIGNS FOR CONTRIBUTIONS BY SENATE CANDIDATES AND IMMEDIATE FAMILIES OF SENATE CANDIDATES.

''(a) IN GENERAL.—The aggregate amount of contributions made during an election cycle to a Senate candidate or the candidate's authorized committees from the sources described in subsection (b) that may be reimbursed to those sources shall not exceed $250,000.

''(b) SOURCES.—A source is described in this subsection if the source is—

''(1) personal funds of the candidate and members of the candidate's immediate family; or

''(2) personal loans incurred by the candidate and members of the candidate's immediate family.

''(c) INDEXING.—The $250,000 amount under subsection (a) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1997.''.

AMENDMENT NO. 1656

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON ACCEPTANCE OF OUT-OF-STATE CONTRIBUTIONS BY SENATE CANDIDATES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. ___. LIMITATION ON ACCEPTANCE OF OUT-OF-STATE CONTRIBUTIONS BY SENATE CANDIDATES.

''(a) LIMITATION.—A Senate candidate and the candidate's authorized committees shall not accept, during an election cycle, contributions from persons other than individuals residing in the candidate's State in an amount exceeding 40 percent of the total amount of contributions accepted during the election cycle.

''(b) DEFINITION OF ELECTION CYCLE.—In this section, the term 'election cycle' means the period beginning on the day after the date of the most recent general election for the specific office or seat that the candidate seeks and ending on the date of the next general election for that office or seat.''.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet on Wednesday, February 25th, 1998 at 9:30 a.m. and Thursday, February 26th, 1998 at 11:00 a.m. in room 562 of the Dirksen Senate Office Building to conduct hearings on the President's FY '99 budget request for Indian programs.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on March 5, 1998 at 9:00 a.m. in SR–328A. The purpose of this meeting will be to examine the Kyoto Treaty on Climate Change and its effect on the agricultural economy.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Commerce, Science, and Transportation Committee be authorized to meet on Tuesday, February 24, 1998, at 9:30 a.m. on tobacco legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MCCONNELL. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet for a hearing on Tuesday, February 24, 1998, at 3:00 p.m. The subject of the hearing is the substitute for S. 981, The Regulatory Improvement Act of 1998.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on February 24, 1998, at 10:00 AM to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on Tobacco Settlement V during the session of the Senate on Tuesday, February 24, 1998, at 10:00 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Constitution, Federalism, and Property Rights, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Tuesday, February 24, 1997 at 2:00 p.m. to hold a hearing in room 226, Senate Dirksen Building, on: ''Term Limits or Campaign Finance Reform: Which Provides True Political Reform?''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, February 24, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:00 p.m. The purpose of this oversight hearing is to receive testimony on the visitor center and museum facilities project at Gettysburg National Military Park.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Readiness of the Committee on Armed Services be authorized to meet on Tuesday, February 24, 1998 at 3:00 p.m. in open session, to receive testimony on the status of the operational readiness of the U.S. Military Forces including the availability of resources and training opportunities necessary to meet our national security requirements.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TECHNOLOGY, TERRORISM, AND GOVERNMENT INFORMATION

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Subcommittee on Technology, Terrorism, and Government Information, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Tuesday, February 24, 1997 at 9:00 a.m. to hold a hearing in room 226, Senate Dirksen Building, on: ''Foreign Terrorists in America: Five Years After the World Trade Center.''

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ISTEA REAUTHORIZATION

• Mr. FAIRCLOTH. Mr. President, I would like to speak on reauthorization of the highway bill. I respectfully urge the Majority Leader to take up Senate Bill 1173—ISTEA—now. Let's not delay its consideration into the spring.

The State's highway programs are already operating under a temporary funding extension. I believe that further delaying consideration of S. 1173 will add more uncertainty to the States' highway construction.

As I mentioned, before this body adjourned last November, we passed a temporary extension of the highway bill, after repeated attempts to begin debate on the bill failed.

It now appears that floor consideration of S. 1173 may be delayed until after the Senate considers the Fiscal Year 1999 Budget Resolution.

I am second to no Member in my commitment to a balanced federal budget. However, I believe that we must also follow through on our commitment to quality infrastructure, and these two objectives are by no means mutually exclusive.

The current funding extension expires on March 31. That means that all federal highway funds will be cut off on May 1. Clearly, prompt action on ISTEA is critical to maintaining the flow of federal highway dollars.

Unlike delays last fall, however, these spring delays for ISTEA will occur in the middle of construction season. This will compound the disruptive effects of this halt on highway projects—and the jobs they support—around the country.

In the northern States, it is critical that construction funding flows at this time of year. The window for road construction work in many areas is limited by weather factors during the winter months.

Many states, including my own, have highway construction projects underway that are designed to reduce traffic congestion. This congestion worsens air quality, causes ''road rage,'' increases wear and tear on vehicles, wastes fuel, and robs American businesses and families of valuable time.

Cutting off crucial federal funds for these projects undermines State efforts to deal with their congestion problems.

It is very unfortunate that highway fatalities continue to rise. By Federal Highway Administration estimates, poor road maintenance may contribute to as many as 30 percent of fatal accidents, resulting in thousands of deaths per year. Safety-related highway work faces stoppage if we delay consideration of ISTEA.

In fact, in North Carolina, 300 million dollars in safety projects may be delayed if federal funds are not approved.

I want to emphasize that these funds come from gas taxes collected every time Americans pull up to the pump. This ''user fee'' arrangement is supposed to ensure that these taxes pay for improving their highways.

Mr. President, 31½ billion dollars in gas taxes are collected each year, of which about 20 billion dollars actually goes towards highways. Even as we delay consideration of S. 1173, Americans pay their gas taxes in the belief that much-needed highway improvements will be funded.

Looking at the legislative calendar between now and May 1, when federal highway funds will dry up, there are 41 legislative days including Mondays and Fridays.

Even after we debate and pass a bill in the Senate, we have a conference report to complete.

Other issues are sure to be considered here, including potential military conflict with Iraq, IRS restructuring, campaign finance reform, and the budget resolution. That will take us well into April at best.

If we do not act on S. 1173 now, a lapse in federal highway funding is a virtual certainty. The presence of other important matters on the calendar only increases the importance of bringing up the Highway bill.

This is our obligation. It is our obligation to the millions of motorists who pay gas taxes, and the contractors, subcontractors and employees working on highway projects.•

RED CEDAR ELEMENTARY SCHOOL 50TH ANNIVERSARY

• Mr. ABRAHAM. Mr. President, I rise today to acknowledge the 50th anniversary of the Red Cedar Elementary School in East Lansing, Michigan. The school began immediately following World War II in an effort to educate the children of G.I.s who moved to East Lansing to get an education promised by the G.I. bill. Since that time, Red Cedar has grown tremendously and has come to hold a prominent place in the East Lansing community. Because many of the students are from other countries, the diverse backgrounds and beliefs that make up the Red Cedar community provide for a truly unique learning environment.

This momentous occasion has been celebrated throughout the month of February within both the Red Cedar and East Lansing communities and will culminate on the evening February 27, 1998 with a reception and a dance for students, parents and other members of the community. It is with great pleasure that I recognize and congratulate the Red Cedar Elementary School on their 50th anniversary.

Mr. President, I yield the floor.•

DR. ROBERT A. REID, INCOMING PRESIDENT OF THE CALIFORNIA MEDICAL ASSOCIATION

• Mrs. BOXER. Mr. President, I rise to recognize Dr. Robert Reid, who on February 16, 1998, became the 133rd President of the California Medical Association, the largest state medical association in the nation. With a membership of 35,000 physicians, the California Medical Association represents California physicians from all regions, medical specialties, and modes of practice.

Dr. Reid's medical career is both long and distinguished. For more than 25 years, he was a practicing OB/GYN, and is currently Director of Medical Affairs for the Cottage Health System in Santa Barbara, California. Dr. Reid has also served as the hospital's Chief of Staff, and was a member of its Board of Directors from 1991 to 1996. Dr. Reid is a Fellow of the American College of Obstetrics-Gynecology and Past President of the Tri-Counties Obstetrics-Gynecology Society. A former President of the Santa Barbara County Medical Society, Dr. Reid also served as Alternate Delegate to the American Medical Association.

Born in Milan, Italy, Dr. Reid is a graduate of the University of Colorado Medical Center. He lives in Santa Barbara, California, with his wife Patricia, and is the father of four grown children.

At a time of rapid change in the medical profession, Dr. Reid's leadership will be most welcome. I extend my congratulations to him, and wish him the very best in his term as President of the California Medical Association.•

TRIBUTE TO EDWARD AKER, DEVOTED PUBLIC SERVANT

• Mr. SMITH of New Hampshire. Mr. President, I rise to pay tribute to the life and accomplishments of Edward Aker, of Adelphi, Maryland, who passed away last week of brain cancer.

Ed was an executive officer with the U.S. Agency for International Development (USAID) for nearly two decades. His service brought him posts in many countries, including Israel, Nicaragua, Guatemala, Pakistan, Somalia, Kenya and Tanzania. He was known by citizens throughout the Washington area and the world for his commitment to his mission, and his desire to help the underprivileged by encouraging economic development, humanitarian assistance and international cooperation.

Ed distinguished himself with his public service. He served in the United States Navy during the Korean War, and worked at a number of government agencies including Housing and Urban Development, the State Department, and the General Services Administration before commencing his distinguished career at the United States Agency for International Development. He graduated from the University of Maryland, received masters degrees from the U.S. International University in Nairobi and San Diego, and received a PhD in business administration from Pacific Western University.

Ed was admired by many for his patriotism, commitment to his family, dedication to his job, and uplifting

spirit. He was the type of dedicated public servant that all Americans can admire. He was a no-nonsense executive who could be tough when the job had to get done; but, he combined this strong work ethic with a quick wit, great sense of humor and special charm. His generous smile will be missed by all who knew him.

Ed Aker was buried today, Tuesday, February 24th, 1997, with military honors at Arlington National Cemetery. I extend my deepest sympathies to his wife, Lisa, his sons, Mike and Tim, his stepson, Jared, and his grandson, Mitchell. He leaves behind a legacy of which his family can be very proud.●

THE HEROISM OF CHRISTOPHER SIMMONS

● Mr. DURBIN. Mr. President, I would like to enter into the RECORD an amazing story of heroism and courage. Faced with the threat of severe injury to his 4-year-old brother, Michael, Christopher Simmons, an 8-year-old from Mt. Vernon, Illinois, boldly placed himself between his brother and a 95-pound dog. In doing so, Christopher demonstrated a profound sense of selflessness that is all too rarely reported. His heroism, as described in an article in the Mt. Vernon Register-News, was quite possibly the only thing that saved his younger brother from serious bodily harm.

On April 6, 1997, as the boys' father, Phillip Simmons, spoke with the dog's owner, Christopher noticed the boxer playfully tugging at Michael's jacket. Suddenly, the dog lunged for the 4-year-old's throat. Christopher, without the slightest hesitation, stepped in front of the attacking dog and kicked it in the left eye. The dog, startled momentarily, became more angry and jumped onto Christopher, clawing and biting his chest. Fortunately, Christopher's quick thinking gave his father enough time to come to his aid, removing the dog from the boy's chest and subduing it until the owner arrived.

Christopher received two chest wounds and lost a significant amount of blood. Michael, now 5 years old, needed surgery to repair a wounded jaw and a severely damaged ear. The dog's teeth barely missed nerves that help control the movements of the eyes and the jaw. If the dog had been able to do more harm to Michael, the little boy may not have survived.

This horrible incident had one positive consequence: Christopher will be in Washington next month to represent 2.1 million Cub Scouts as he presents President Clinton with the Scouts' annual Report to the Nation. I am pleased to have this opportunity to join President Clinton in honoring Christopher for his tremendous heroism and outstanding courage. I ask that the Mt. Vernon Register-News article describing Christopher Simmons' act of heroism be printed in the RECORD.

The article follows:

[From the Mount Vernon Register-News, Feb. 2, 1998]

MT. VERNON YOUTH WHO SAVED BROTHER FROM DOG TO MEET WITH CLINTON

MT. VERNON—A young boy who stepped between his 4-year-old brother and a 95-pound attacking dog is being rewarded for his bravery with a meeting with President Clinton.

Christopher Simmons, 8, has been chosen to represent the nation's 2.1 million Cub Scouts in presenting scouting's yearly Report to the Nation in the Oval Office next month.

His bravery also earned him the Scouts' rare Honor Medal, ''for unusual heroism in saving or attempting to save life at considerable risk to self.'' Only 42 such medals were earned last year by the nation's 4.5 million Cub Scouts, Boy Scouts and Explorers.

Christopher's story began last April 6 when his dad, Phillip, took along Christopher, then 7, and his brother, Michael, to help the dog's owner with some yard work.

Phillip Simmons was chatting with the man, who is in his 80s, when he saw the dog shaking Michael by his coat. The boxer then released its grip and aimed for Michael's throat.

''As his jaws closed on Michael's head, Christopher launched a kick that connected with the dog's left eye,'' the father recalled last week. ''The pain further enraged the dog, who instantly turned on Christopher.''

As Christopher stepped back, with the dog's paws on his chest and its jaws ripping at his coat, the momentary diversion gave Simmons time to reach his sons.

''I jumped on him and kicked him,'' Christopher, a third-grader at St. Mary's School, recalled last week at his home here. ''Then he jumped on me. By that time my dad was there. I pulled my brother out of reach of the dog.''

Seizing the dog by one ear, Phillip Simmons rammed his fist down the animal's throat and held him against a car.

''As the dog struggled, I looked back to see Michael standing frozen in a pool of blood, still within reach of the dog if he got loose,'' the father recalled.

''Chris, even though bleeding from two sets of chest wounds, had the presence of mind to pull Michael out of range of the boxer so I could release the dog,'' Phillip Simmons added. ''There is no doubt that if it had not been for Christopher's quick thinking and action, I would have lost my 4-year-old son.''

Michael, now 5, had to have surgery on his jaw and dangling left ear. Physicians stitched along a crease so that the ear would heal with no visible damage. The boxer's teeth barely missed a nerve that controls the eye and another that controls the jaw.

A typically lively 5-year-old, Michael seems to have few emotional scars, though his parents say he is very afraid of dogs.

The dog had no history of harming or threatening anyone.

Instead of insisting the dog be killed, the Simmons family agreed to allow the boxer to be sent to a breeding farm where children were not allowed. The dog has since died.●

TRIBUTE TO JACK VAN HOOSER

● Mr. FRIST. Mr. President, at the end of this month, Jack Van Hooser the Commissioner for Rehabilitation Services for the State of Tennessee is retiring after thirty-five years of dedicated service. Throughout his career, Jack has been a tireless servant of the State of Tennessee and has worked to empower individuals with disabilities to achieve independence and gain employment. Jack's record of achievement is impressive. In 1996, under his direction, the Tennessee Vocational Rehabilitation Program served 26,032 individuals with disabilities of which 81 percent were severely disabled. Of the individuals, served 5,820 were successfully employed with more than 90 percent of them working in the competitive labor market. The annualized income of these 5,820 individuals, once they entered the work force increased from $8.732 million to $64.233 million. I am proud of Jack's leadership and the achievement of his agency.

Jack began to develop the strong leadership skills that have transcended through his distinguished career while attending Columbia High School in Columbia, Tennessee. At Columbia High, Jack was elected President of the Student Body, and served as the captain of the football, baseball and basketball teams. In football, Jack was All-State for two years and made the All-Southern and All-American teams.

After High School, Jack attended Tennessee Tech where he met his wife of forty-three years, Wanda with whom he has two sons, Jay and Dave. He continued his sports career at Tennessee Tech where he played football and baseball. As Tennessee Tech's quarterback he made the All-Conference Team and the little All-American Football Team. Jack served in the United States Army for two years upon graduation.

Jack went back to school and earned a master's degree from the University of Tennessee after his military service and was a teacher and athletic coach in Lake City, Florida and Isaac Litton High School in Nashville. Even today, serving as a softball coach, his passion for sports and coaching is evident.

In 1960, Jack began his service to the citizens of Tennessee with the Tennessee Division of Rehabilitation Services. He started as a Disabilities Examiner, helping individuals with disabilities get their benefits. Jack, went on to supervise, train and develop the staff of the Division of Rehabilitation Services. As I review Jack's record of achievement, I notice that he has held several important positions that touched all aspects of the program until he ultimately headed the program in 1995. I am proud of his dedication to help Tennesseans with disabilities achieve employment, to help give them opportunity and independence. That caring and dedication should serve as an example to us all as we carry out the critical work of the United States Senate.

Friday, Jack Van Hooser will retire. He will spend more time with his wife and family. I have no doubt that he will also teach his four granddaughters, not only how to play softball, but teach them how to be leaders and serve their fellow citizens with the dignity and respect he has for so many years.●

ORDER OF BUSINESS

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

EXECUTIVE CALENDAR NO. 380 RETURNED TO COMMITTEE

Mr. BURNS. As in executive session, I ask unanimous consent that Executive Calendar No. 380 be returned to committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair announces on behalf of the majority leader, pursuant to Public Law 105–134, his appointment of the following individuals to serve as members of the Amtrak Reform Council: Gilbert E. Carmichael, of Mississippi, Joseph Vranich, of Pennsylvania, and Paul M. Weyrich, of Virginia.

Mr. LOTT. Mr. President, I am pleased to announce the appointment of three individuals to the Amtrak Reform Council—the ARC: Mr. Gilbert E. ''Gil'' Carmichael of Mississippi, Mr. Joseph Vranich of Pennsylvania, and Mr. Paul M. Weyrich of Virginia. All three have years of rail transportation experience. All three understand and respect Amtrak's contributions to the American economy. All three are truly committed to genuine railroad reform. All three will serve for five years. All three will examine the fiscal performance of Amtrak.

Each of these appointees bring many years of experience to this challenging railroad issue. Each brings his own particular approach to this transportation job.

I've known Mr. Gil Carmichael for many years. He is a dedicated public servant who has already served our nation as Federal Railroad Administrator for President Bush and served four years on the Amtrak Board of Directors. He also has an impressive depth and breadth of knowledge on all facets of transportation—it was Gil who sponsored the first World Railways Congress. It brought together senior rail officials from around the world. so Gil knows the rail business from the bottom up, and he brings to the ARC that good old every-day, common sense approach that we Mississippians are so proud of.

Mr. Joseph Vranich helped create Amtrak while serving as the Executive Director of the National Association of Railroad Passengers. He is a specialist on high-speed train travel, and literally wrote the book on so-called ''Supertrains.'' Just late last year, he published the most important new book on railroads, ''Derailed: What Went Wrong and What to Do About America's Passenger Trains.'' Mr. Vranich brings to the ARC a broad vision of passenger rail service, what it was, what it was meant to be, what it can be.

And Mr. Paul Weyrich has over 30 years of experience with rail and mass transit issues. He also served on the Amtrak Board of Directors during the Bush administration, and has published numerous works on the subject. Mr. Weyrich brings the hard-boiled sensibilities of a newspaperman of the old school, a newspaperman good at digging for the facts. Just the facts for the ARC.

The selection of these three reflects my desire to bring managerial expertise to Amtrak's oversight. The ARC will ensure that Amtrak spends the taxpayers' money wisely. The ARC's first loyalty will be to the American taxpay—not to the nostalgic sound of passenger trains going down the tracks.

Gil, Joe and Paul are executives who will take a good, hard look at Amtrak, and I expect them to exercise courage and leadership. The ARC has the responsibility to offer sound judgment as they advise both the Administration and the Congress.

I have no doubt the ARC will have a key role in shaping Amtrak's future.

I'm pleased to announce that today the Speaker will also identify his three selections. These selections together will constitute the majority of the ARC.

Mr. President, I want to thank my colleagues who gave me such a rich list of candidates to select from. The choices were difficult.

The Amtrak Board of Directors, the other managerial oversight body for Amtrak is to be renominated this summer. I hope to see new faces, a fresh look and a fresh approach. This would help Amtrak successfully deal with the cultural shift required by the new reauthorization statute. The combined synergy of a new board and the ARC will make a profound difference to the way America's passenger rail service will enter the next millennium.

I look forward to seeing ARC getting started on its important task. America's passenger rail service will be well served by the ARC.

ORDERS FOR WEDNESDAY, FEBRUARY 25, 1998

Mr. BURNS. Mr. President, seeing no other Senators requesting time to speak, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. on Wednesday, February 25, and immediately following the prayer, the routine requests through the morning hour be granted and there then be a period of morning business until 11:30 a.m., with Senators permitted to speak for up to 5 minutes each, with the following exceptions: Senator HUTCHINSON, 20 minutes; Senator GORTON, 5 minutes; Senator BROWNBACK, 10 minutes; Senator BYRD, 20 minutes; Senator MIKULSKI, 15 minutes; Senator GRAMM of Texas, 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BURNS. Mr. President, tomorrow morning, at 11:30, under a previous consent agreement, the Senate will debate the veto message to accompany H.R. 2631, the military construction appropriations bill. All Senators should be aware that although there is a 2-hour limitation on the veto message, that rollcall vote will occur later in the day in an effort to accommodate those Members attending the funeral of former Senator Ribicoff. All Senators will be notified when that vote is set.

Following the debate on the veto message, the Senate will resume debate on the pending legislation regarding campaign finance reform. Additional votes can be expected during Wednesday's session relating to campaign finance reform.

Finally, as a reminder, three cloture motions were filed during today's session to pending amendments and the underlying bill, S. 1663. These votes will occur on Thursday of this week.

Mr. President, I thank my colleagues.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. BURNS. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:28 p.m., adjourned until Wednesday, February 25, 1998, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 24, 1998:

DEPARTMENT OF STATE

GEORGE MCGOVERN, OF SOUTH DAKOTA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS U.S. REPRESENTATIVE TO THE UNITED NATIONS AGENCIES FOR FOOD AND AGRICULTURE.

MARY BETH WEST, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR EXECUTIVE SERVICE, FOR THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE AS DEPUTY ASSISTANT SECRETARY OF STATE FOR OCEANS AND SPACE.

THE JUDICIARY

MELVIN R. WRIGHT, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE HENRY HAROLD KENNEDY, JR., ELEVATED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. NANCY R. ADAMS, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. JOHN S. PARKER, 0000.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE NAVAL RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral

REAR ADM. (LH) ROBERT F. BIRTCIL, 0000.

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

RICHARD W. MEYERS, 0000
CHARLES M. SINES, 0000

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

RAYMOND ADAMIEC, 0000
BRUCE A. ALBRECHT, 0000
JOHN R. ALLEN, 0000
DAVID A. ANDERSON, 0000
MICHAEL F. APPLEGATE, 0000
RAY A. ARNOLD, 0000
DOUGLAS F. ASHTON, 0000
BRIAN J. BACH, 0000
DENNIS T. BARTELS, 0000
JOHN R. BATES, 0000
JEFFERY W. BEAROR, 0000
MICHAEL D. BECKER, 0000
BRUCE E. BISSETT, 0000
KENNETH D. BONNER, 0000
GREGORY K. BRICKHOUSE, 0000
BRUCE E. BRONARS, 0000
LARRY K. BROWN, JR., 0000
DAVID L. BULAND, 0000
JOSEPH F. BURANOSKY, 0000
JAMES P. CAROTHERS, 0000
ROXANNE W. CHENEY, 0000
PAUL C. CHRISTIAN, 0000
HENRY J. COBLE, 0000
JOHN C. COLEMAN, 0000
THOMAS L. CONANT, 0000
DONALD G. CROOM, 0000
RICHARD H. DUNNIVAN, 0000
RUSSELL A. EVE, 0000
PHILIP J. EXNER, 0000
EUGENE J. FRASER, 0000
LEE W. FREUND, 0000
ANDREW P. FRICK, 0000
MICHAEL J. GODFREY, 0000
JEFF D. GRELSON, 0000
TERRY W. GRIFFIN, 0000
MYRON L. HAMPTON, 0000
CHARLES T. HAYES, 0000
MICHAEL J. HEISINGER, 0000
CRAIG S. HUDDLESTON, 0000
PHILIP R. HUTCHERSON, 0000
MAURICE B. HUTCHINSON, 0000
ANTHONY L. JACKSON, 0000
KEVIN P. JANOWSKY, 0000
WESLEY A. JARMULOWICZ, 0000
WILLIAM F. JOHNSON, 0000
KEVIN B. JORDAN, 0000
CHRISTOPHER K. JOYCE, 0000
DENNIS JUDGE, 0000
BRENDAN P. KEARNEY, 0000
WILLIAM R. KELLNER, JR., 0000
JOHN F. KELLY, 0000
MICHAEL J. KELLY, 0000
LEELLEN KUBOW, 0000
ROBERT F. KUHLOW, 0000
RANDALL W. LARSEN, 0000
ROBERT R. LOGAN, 0000
JAMES M. LOWE, 0000
RICHARD W. LUEKING, 0000
MICHAEL A. MALACHOWSKY, 0000
DAVID W. MUALDIN, 0000
RICHARD P. MILLS, 0000
GARY E. MUELLER, 0000
WILLIAM J. MULLENS, JR., 0000
MICHAEL C. O'NEAL, 0000
RENE P. ORTIZ, 0000
RICHARD J. PACKARD, 0000
FRANK A. PANTER, JR., 0000
PHILIP S. PARKHURST, 0000
CHARLES S. PATTON, 0000
MARTIN D. PEATROSS, 0000
REYNOLDS B. PEELE, 0000
ROSS D. PENNINGTON, 0000
NICHOLAS C. PETRONZIO, 0000
MARTIN POST, 0000
JOHN C. RADER, 0000
STEVEN W. RAWSON, 0000
JOHN D. REARDON, 0000
ERVIN RIVERS, 0000
STEPHEN C. ROBB, 0000
MASTIN M. ROBESON, 0000
BONNIE J. ROBISON, 0000
PHILIP C. RUDDER, 0000
JONATHAN T. RYBERG, 0000
BENNETT W. SAYLOR, 0000
HOWARD P. SCHICK, 0000
ROBERT E. SCHMIDLE, JR., 0000
DANIEL C. SCHULTZ, 0000
JACK K. SPARKS, JR., 0000
STEPHEN P. TAYLOR, 0000
BRADLEY E. TURNER, 0000
THOMAS D. WALDHAUSER, 0000
JAMES C. WALKER, 0000
CLARENCE L. WALLACE, JR., 0000
ROBERT M. WEIDERT, 0000
RUSSELL C. WOODY, 0000
GERALD A. YINGLING, JR., 0000

To be major

ANTHONY P. ALFANO, 0000
CASSONDRA K. AYERS, 0000
LAWRENCE A. BAUER, 0000
BRAIN T. BECKWITH, 0000
DOUGLAS H. BIGGS, 0000
JOSEPH G. BOWE, 0000
HERBERT A. BOWLDS, JR., 0000
GERALD R. BROWN, 0000
JACQUELINE BRYTT, 0000
TERRANCE L. BURNS, 0000
JOHN M. CAPPS, 0000
CURT A. CAREY, 0000
MARK D. CICALI, 0000
BIAGIO COLANDREO, JR., 0000
ROBERT J. DARLING, 0000
DANIEL J. DAUGHERTY, 0000
TIMOTHY J. FLANAGAN, 0000
JOHN J. FOLEY, 0000
CHARLES C. FURTADO III, 0000
GLENN E. GERICHTEN, 0000
LAUREL D. GLENN, 0000
ROBERT C. GRAHAM, 0000
PATRICK A. GRAMUGLIA, 0000
PHILLIP D. HARWARD, 0000
FREDERICK J. HOPEWELL, 0000
KENNETH V. JANSEN, 0000
DENIS J. KIELY III, 0000
LARRY L. KNEPPER, 0000
GREGORY G. KOZIUK, 0000
JEFFREY D. LEE, 0000
BRIAN K. MC CRARY, 0000
JON E. MC ELYEA, 0000
JAMES G. MC GARRAHAN, 0000
JACK P. MONROE IV, 0000
JAMES L. NORCROSS, 0000
JEFFREY J. NYHART, 0000
ROBERT R. PIATT, 0000
CHARLES B. RUMSEY, JR., 0000
JOHN B. STARNES, 0000
ALAN R. STOCKS, 0000
RICHARD A. STONES, 0000
SUSAN C. SWANSON, 0000
STEPHEN O. VIDAURRI, 0000
THOMAS M. VILAS, 0000
RICHARD E. WILLIAMS, 0000
JAMES G. WILSON, 0000
WINBON J. TWIFORD III, 0000

To be captain

TIMOTHY L. ADAMS, 0000
CURTIS M. ALLEN, 0000
DEBBIE J. ALLEN, 0000
ROBERT J. ALLEN, 0000
DAWN R. ALONSO, 0000
RONALD J. ALVARADO, 0000
ARNOLD L. AMPOSTA, 0000
RANDY L. ANDERSON, 0000
STEVEN M. ANDERSON, 0000
MARCUS B. ANNIBALE, 0000
TRAY J. ARDESE, 0000
ARTHUR K. ARMANI, 0000
RICHARD J. ASHBY, 0000
GAMAL F. AWAD, 0000
CHARLES R. BAGNATO, 0000
ANTHONY J. BANKS, 0000
CRAIG A. BARRETT, 0000
RANDELL D. BECK, 0000
STEWART G. BECKER, 0000
DOUGLAS C. BEHEL, 0000
THOMAS J. BEIKIRCH, 0000
BRUCE E. BELL, 0000
DANIEL L. BELL, 0000
AARON E. BENNETT, 0000
MARLIN C. BENTON, JR., 0000
ANDREW J. BERGEN, 0000
JOHN J. BERGERON, 0000
JESSICA M. BERGMANN, 0000
GREGORY D. BIGALK, 0000
JOHN R. BINDER III, 0000
FRED W. BISTA III, 0000
TIMOTHY H. BOETTCHER, 0000
DEMETRIUS J. BOLDUC, 0000
LLOYD E. BONZO II, 0000
DAVID C. BORKOWSKI, 0000
BRADLEY R. BORMAN, 0000
BRIAN J. BRACKEN, 0000
STEPHAN L. BRADICICH, 0000
RICHARD T. BRADY, 0000
CHARLES R. BRANDICH III, 0000
FREDERICK W. BREMER, 0000
BENJAMIN T. BREWER, 0000
BRUCE L. BRIDGEWATER, 0000
MARCELINO L. BRITO, 0000
SCOTT E. BROBERG, 0000
PHILLIP V. BROOKING, 0000
DAREN L. BROWN, 0000
GLENN F. BROWN, 0000
ROBERT J. BRUDER, 0000
TODD M. BURCH, 0000
HEATHER M. BURGESS, 0000
JOHN P. BURTON, 0000
PAUL A. BUTA, 0000
JEFFREY R. CALLAGHAN, 0000
EZRA CARBINS, JR., 0000
JUDE F. CAREY, JR., 0000
CURTIS W. CARLIN, 0000
MATTHEW J. CARROLL, 0000
RONNIE A. CARSON, JR., 0000
TODD M. CARUSO, 0000
BRIAN T. CASKEY, 0000
MICHAEL J. CASSIDY, 0000
MICHAEL V. CAVA, 0000
DONALD L. CERRI, 0000
MATTHEW G. CHALKLEY, 0000
NATHAN D. CHAMBERLAIN, 0000
ROBERT M. CLARK, 0000
STEVEN B. CLAYTON, 0000
SCOTT B. CLIFTON, 0000
THOMAS E. CLINTON, JR., 0000
ERIK E. COBHAM, 0000
JOSEPH R. COLOMBO, 0000
JEFFREY L. CONGLETON, 0000
GARLAND N. COPELAND, 0000
BRIAN G. COSGROVE, 0000
JAMES A. COSMETIS, 0000
LANCE C. COSTA, 0000
DANIEL P. CREIGHTON, 0000
RICHARD J. CREVIER, 0000
TIMOTHY S. CRONIN, 0000
VANCE L. CRYER 0000
SCOTT R. CUBBLER 0000
JEFFREY K. DANIELS 0000
BRENT R. DAVIS 0000
HAROLD P. DAVIS 0000
JOHN B. DAVIS 0000
THOMAS E. DAVIS 0000
YOLANDA DAVIS 0000
GARY E. DELGADO 0000
JAMES W. DEMOSS JR. 0000
TODD S. DENSON 0000
SCOTT T. DERKACH 0000
GERT J. DEWET 0000
ANDREW L. DIETZ 0000
JOHN T. DODD 0000
THOMAS J. DODDS 0000
EDWARD A. DONOVAN III 0000
BRIAN G. DOOLEY 0000
LANCE S. DORMAN 0000
MICHAEL J. DOUGHERTY 0000
CHRISTOPHE G. DOWNS 0000
KEVIN C. DUGAN 0000
SCOTT P. DUNCAN 0000
JAMES M. DUPONT 0000
JOHN J. EDMONDS 0000
JAMES P. EDMUNDS III 0000
RODNEY S. EDWARDS 0000
BRIAN D. EHRLICH 0000
KEITH L. FAUST 0000
WADE A. FELLER 0000
STEVEN L. FELTENBERGER 0000
JAMES A. FENNELL 0000
ROBERT S. FERGUSON 0000
TAD J. FINER 0000
MARTIN J. FORREST IV 0000
DAVID C. FORREST 0000
TIMOTHY J. FRANK 0000
ERIK G. FRECHETTE 0000
LLOYD D. FREEMAN 0000
STEPHEN P. FREEMAN 0000
THOMAS C. FRIES 0000
BRYON J. FUGATE 0000
TROY FULLER 0000
JOHN M. FULTON 0000
MATTHEW F. FUSSA 0000
PETER S. GADD 0000
GREGORY CALBATO 0000
JESUS M. GARCIA 0000
EDWARD A. GARLAND 0000
SCOTT R. GARTON 0000
WILLIAM W. GERST, JR., 0000
STEPHEN P. GHOLSON, 0000
ROBERT R. GICK, 0000
JOSEPH C. GIGLIOTTI, 0000
BRIAN S. GILDEN, 0000
MARK A. GIVENS, 0000
WILLIAM E. GLASER IV, 0000
SEAN M. GODLEY, 0000
JAMES M. GOETHE, 0000
ADRIAN S. GOGUE, 0000
JOHN C. GOLDEN IV, 0000
SCOTT A. GONDEK, 0000
FLAY R. GOODWIN, 0000
CARL W. GOUAUX, 0000
KENNETH G. GRAHAM, 0000
DAVID I. GRAVES, 0000
MICHAEL T. GRAVES, 0000
JERAMY GREEN, 0000
TRAVIS L. GREENE, 0000
WILLIAM B. GREER, 0000
DAVID E. GRIBBLE, 0000
DAVID M. GRIESMER, 0000
STEPHEN M. GRIFFITHS, 0000
JOSEPH S. GROSS, 0000
LOUIS S. GUNDLACH, 0000
RYAN R. GUTZWILLER, 0000
JOHN J. HADDER, 0000
MARK E. HAHN, 0000
THOMAS R. HALL, 0000
WILLIAM G. HALL, 0000
HUGH M. HALLAWELL, 0000
ROBERT J. HALLETT, 0000
HOLMES HARDEN, JR., 0000
THOMAS J. HARMON, 0000
HARRY A. HARNETT IV, 0000
TIMOTHY A. HARP, 0000
JOHN D. HARRILL III, 0000
CARROLL N. HARRIS III, 0000
JEFFREY A. HARRISON, 0000
PAUL W. HART II, 0000
SEAN D. HAYES, 0000
LEE G. HELTON, 0000
MARK J. HENDERSON, 0000
STANLEY D. HESTER, 0000
MARK B. HEVEL, 0000
WALTER R. HIBNER III, 0000
MARTIN J. HINCKLEY, 0000
RUSSELL J. HINES, 0000
EVERETT J. HOOD, 0000
WILLIAM W. HOOPER, 0000
THEODORE J. HORSE, 0000
WILLIAM S. HOWELL, 0000
MICHAEL D. HOYT, 0000
COLT J. HUBBELL, 0000
ROBERT O. HUBBELL, 0000

DANIEL P. HUDSON, 0000
CHRISTOPHE W. HUGHES, 0000
DAVID A. HUMPHREYS, 0000
LANDON R. HUTCHENS II, 0000
CLAUDE O. HUTTON, JR., 0000
THOMAS J. IMPELLITTERI, 0000
ALBERT B. INTILLI, 0000
BERNARDO IORGULESCU, 0000
WILLIAM J. JACOBS, 0000
DAVID K. JARVIS, 0000
MATTHEW J. JAVORSKY, 0000
BRADLEY S. JEWITT, 0000
SCOTT R. JOHNSON, 0000
TERRY M. JOHNSON, 0000
JASON A. JOHNSTON, 0000
MICHAEL T. KAMINSKI, 0000
WILLIAM F. KEEHN, 0000
GREGORY R. KELLY, 0000
LEONARD L. KERNEY, JR., 0000
PETERJOHN H. KERR, 0000
ROBERT L. KIMBRELL II, 0000
JAMES J. KIRK, 0000
BRENDAN M. KLAPAK, 0000
GLENN M. KLASSA, 0000
DAVID T. KLAVERKAMP, 0000
DOUGLAS W. KLEMZ, 0000
PAUL H. KLINK III, 0000
CHRISTOPHE A. KOLOMJEC, 0000
TODD A. LAGRECO, 0000
TROY D. LANDRY, 0000
DOUGLAS K. LANG, 0000
STUART C. LANKFORD, 0000
TERRENCE H. LATORRE, 0000
PETER N. LEE, 0000
JOSEPH P. LEVREAULT, 0000
REGINALD LEWIS, 0000
MARK A. LIVINGSTON, 0000
JOSEPH A. LORE, 0000
MELVIN L. LOVE, 0000
DAVID G. LOYACK, 0000
JOHN M. LOZANO, 0000
KENNETH E. LUCAS, 0000
BRIAN M. LUKACZ, 0000
CHARLES N. LYNK III, 0000
JOHN F. MACEIRA, 0000
GONZALO MADRID, JR., 0000
NATHAN MAKER, 0000
BRYAN T. MANGAN, 0000
MICHAEL J. MARTIN, 0000
DANIEL R. MARTINEAU, 0000
RUBEN A. MARTINEZ, 0000
JOHN D. MARTINKO, 0000
GEORGE A. MASSEY, 0000
JULIA S. MATHIS, 0000
NICOLE L. MAUERY, 0000
DAVID H. MAYHAN, 0000
TODD L. MC ALLISTER, 0000
DAVID L. MC CAFFREE, JR., 0000
JOHN T. MC CLOSKEY, 0000
JOHN M. MC DERMOTT, 0000
JOHN A. MC DONALD, 0000
MATTHEW J. MC DONALD, 0000
CLEVE D. MC FARLANE, 0000
LESLIE A. MC GEEHAN, 0000
JAMES T. MC HUGH, JR., 0000
NEIL S. MC MAIN, 0000
SEAN D. MC NULTY, 0000
SEAN C. MC PHERSON, 0000
CHARLES D. MC VEY, 0000
ROGER C. MEADE, 0000
FRANCISCO J. MELERO, 0000
CHRISTOPHE E. MICKEY, 0000
DANIEL E. MILLER, 0000
WILLIAM C. MILLER, 0000
PATRICK S. MITCHELL, 0000
ROBERT P. MITCHELL, 0000
JAMES E. MITILIER, 0000
MICHEL W. MONBOUQUETTE, 0000
MICHAEL C. MONTI, 0000
JERRY R. MORGAN, 0000
JOSEPH W. MURPHY, 0000
JOSEPH C. MURRAY, 0000
CORNELL, MYATT, 0000
DAVID B. NICKLE, 0000
NEAL D. NOEM, 0000
KEVIN A. NOVAK, 0000
EDWARD L. O'CONNOR, 0000
CLAYTON G. OGDEN, 0000
PAUL D. OLDENBURG, 0000
KENNETH A. OLDHAM, 0000
VICTOR M. O'LEAR, 0000
ROGELIO OLIVAREZ, JR., 0000
JEFFREY P. OLSON, 0000
CHRISTOPHE H. O'NEILL, 0000
THOMAS E. OWEN, 0000
PRISCILLA A. PAEPCKE, 0000
PAUL T. PATRICK, 0000
SCOTT A. PAYNE, 0000
JOHN PERSANO III, 0000
ROBERT A. PETERSON, 0000
JOHN R. PETERWORTH, 0000
ANDREW J. PETRUCCI, 0000
MICHAEL D. PHILLIPS, 0000
BRIAN N. PINCKARD, 0000
STEVEN A. PLATO, 0000
CLARK A. POLLARD, 0000
CURTIS A. POOL, 0000
FORREST C. POOLE III, 0000
THOMAS P. PREIMESBERGER, 0000
THOMAS E. PRENTICE, 0000
ROMAN T. PRZEPIORKA, 0000
ERIC A. PUTMAN, 0000
JAMES E. QUINN, 0000
INN QUIROZ, 0000
JON D. RABINE, 0000
CHRISTOPHE T. RADFORD, 0000
MINTER B. RALSTON IV, 0000
WARREN L. RAPP, 0000
KYLE G. RASH, 0000
THOMAS R. RAYNOR, 0000
WILLIAM G. RICE IV, 0000
CARL A. RICHARDSON, 0000
COLLEEN B. RICHARDSON, 0000
DANIEL R. RICHARDSON, 0000
MICHAEL D. RIDDLE, 0000
RYAN S. RIDEOUT, 0000
LARRY A. RISK, 0000
DONALD A. ROACH, 0000
WHITNEY S. ROACH, 0000
LENNIS R. ROBBINS, 0000
JOHN W. ROBERTS, 0000
EDWARD J. RODGERS, 0000
TIMOTHY W. ROGERS, 0000
ERIC S. ROTH, JR., 0000
SCOTT R. ROYS, 0000
PETER S. RUBIN, 0000
JOAQUIN A. SALAS, 0000
JAMES L. SAMMON, 0000
BRIAN G. SANCHEZ, 0000
ELEAZAR O. SANCHEZ, 0000
FRANK SANDERS, 0000
BRIAN P. SANDYS, 0000
OWEN A. SANFORD, 0000
ROBERT E. SAWYER, 0000
PAUL D. SAX, 0000
RICHARD J. SCHMIDT, 0000
ROBERT E. SCHUBERT, JR., 0000
MICHAEL B. SCHWEIGHARDT, 0000
DOUGLAS J. SCOTT, 0000
KEVIN R. SCOTT, 0000
DAVID J. SEBUCK, 0000
ANTHONY T. SERMARINI, 0000
MILO L. SHANK, 0000
THOMAS T. SHAVER, 0000
HECTOR SHEPPARD, JR., 0000
DANIEL L. SHIPLEY, 0000
TIMOTHY A. SILKOWSKI, 0000
THOMAS K. SIMPERS, 0000
DUNCAN D. SMITH, JR., 0000
MARTY L. SMITH, 0000
SHEILA M. SMITH, 0000
MATTHEW D. SPICER, 0000
BRIAN K. SPIEGEL, 0000
THOMAS M. STACKPOLE, JR., 0000
JEFFREY P. STAMAN, 0000
BRIAN C. STAMPS, 0000
PAUL A. STEELE, 0000
PAUL L. STOKES, 0000
IAN L. STONE, 0000
VIRGIL G. STRONG, 0000
MATT D. STRUBBE, 0000
WILLIAM H. SWAN, 0000
JAMES B. SWIFT, JR., 0000
PATRICIO A. TAFOYA, 0000
GREGORY W. TAYLOR, 0000
DAVID A. TEIS, 0000
DONALD G. TEMPLE, 0000
ROBERT E. THIEN, 0000
JAMES W. THOMAS, JR., 0000
GEORGE A. THOMAS, 0000
BRIAN J. THOMPSON, 0000
TOMMY J. THOMPSON, 0000
DONALD J. TOMICH, 0000
JOHN C. TREPKA, 0000
PATRICK W. TRIMBLE, 0000
BRENT C. TROUSLOT, 0000
MICHAEL A. TUCKER, 0000
LARRY E. TURNER, JR., 0000
CARLOS O. URBINA, 0000
ANDREW M. VADYAK, 0000
CESAR A. VALDESUSO, 0000
GABRIEL L. VALDEZ III, 0000
MICHAEL C. VARICAK, 0000
SALVATORE VISCUSO III, 0000
GORDON R. VOGEL, 0000
ROBERT M. VOITH, 0000
PETER C. WAGNER, 0000
WILLIAM WAINWRIGHT, 0000
RICHARD E. WALKER III, 0000
JAMES K. WALKER, 0000
TYRONE WALLS, 0000
BENNETT W. WALSH, 0000
DAVID C. WALSH, 0000
NEIL E. WALSH, 0000
ROBERT T. ARSHEL, 0000
MICHAEL R. WATERMAN, 0000
JAMES W. WATERS, 0000
CLARK E. WATSON, 0000
HENRY D. WEEDE, 0000
GUY M. WEST, 0000
WILLIAM L. WHEELER JR., 0000
RAYMOND M. WHITE III, 0000
BROOKE A. WHITE, 0000
RYDER A. WHITE, 0000
TERENCE H. WHITE, 0000
TIMOTHY K. WHITE, 0000
ZACHARY M. WHITE, 0000
ARTHUR L. WIGGINS, JR., 0000
KYLE S. WILBUR, 0000
JOHN N. WILKIN, 0000
SEAN P. WILLMAN, 0000
JUSTIN W. WILSON, 0000
CARL D. WINGO, 0000
ROBERT A. WINSTON, 0000
THOMAS A. WOLLARD, 0000
CRAIG R. WONSON, 0000
BENJAMIN Z. WOODWORTH, 0000
KIMBERLY A. WYLIE, 0000
ROBERT W. ZACHRICH II, 0000
PAUL F. ZADROZNY, JR., 0000
STACEY S. ZDANAVAGE, 0000

To be first lieutenant

CLINTON E. AMBROSE, 0000
MATTHEW H. ANDERSON, 0000
MARY N. ANICH, 0000
COURTNEY ARRINGTON, 0000
ANDREW A. AUSTIN, 0000
PATRICIA S. BACON, 0000
LARRY A. BAILEY, JR., 0000
AISHA M. BAKKARPOE, 0000
CARNEL BARNES, 0000
DANIEL L. BATES, 0000
WILLIAM T. BELL, III 0000
ROMAN V. BENITEZ 0000
DANIEL G. BENZ, 0000
ELLERY L. BLAKES, 0000
CAVAN N. BRAY, 0000
ALVIN BRYANT, JR., 0000
DUNCAN J. BUCHANAN, 0000
KEITH E. BURKEPILE, 0000
CHRISTOPHE M. BURT, 0000
CHRISTOPHE W. BUSHEK, 0000
BRINSON L. BYRDSONG, 0000
MICHAEL J. BYRNE, 0000
CHRISTOPHE T. CANNAVARO, 0000
KEVIN T. CARLISLE, 0000
PATRICK L. CARTER, JR., 0000
ROBERT R. CHESHIRE, 0000
JAMES CHUNG, 0000
CLAUDE E. CLARK,JR., 0000
DANIEL C. CLARK, 0000
RICHARD A. CLEMENS, JR., 0000
BRIAN K. COCKRIEL 0000
JENNIFER E. COE, 0000
JEFFREY R. COLEY, 0000
NORBERTO COLON, 0000
JOHN G. CORBETT, 0000
HUGH C. CURTRIGHT, IV, 0000
CHRISTOPHE H. DALTON, 0000
RICHARD M. DAVIS, JR., 0000
BRANDON A. DAVIS, 0000
SHAWN B. DAVIS, 0000
JOHNNY L. DAY, 0000
DANIEL S. DEWITT, 0000
CHRISTOPHE B. DOODY, 0000
TIMOTHY T. DOUGLAS, 0000
JASON C. DRAKE, 0000
GORDON R. DYKES, 0000
EDWARD J. EIBERT, JR., 0000
ROBERT G. ENSLEY, 0000
MATTHEW W. ERICKSON, 0000
NATHANIEL G. FAHY, 0000
DAVID M. FALLON, 0000
RAUL J. FELICIANO, 0000
LINDA N. FERRELL, 0000
JOHN L. FINCH, 0000
GREGORY P. FLAHERTY, 0000
SETH W. FOLSOM, 0000
KEVIN J. FOSKEY 0000
MARC D. FREESE, 0000
BRIAN T. FULKS, 0000
DENISE M. GARCIA, 0000
LUIS GARZA III, 0000
JEFFREY W. GARZA, 0000
PATRICK A. GAUGHAN, 0000
MICHAEL T. GIBBS, 0000
BRIAN L. GILMAN, 0000
DENNY W. GINGERICH, 0000
PAUL M. GOMEZ, 0000
RUFINO H. GOMEZ, 0000
JONATHAN W. GOOD, 0000
WENDY T. GORDON, 0000
RUSSELL R. GRAHAM, 0000
JOSHUA K. GREENE, 0000
BRENT A. GREGOIRE, 0000
KRISTINA K. GRIFFIN, 0000
GREGORY L. GRUNWALD, 0000
PAUL GULBRANDSEN, 0000
MICHAEL P. HADLEY, 0000
HOWARD F. HALL, 0000
TREVOR HALL, 0000
ANDREW D. HAMILTON, 0000
JOHN W. HARMAN, 0000
JAMES A. HARRIS IV, 0000
DENNIS J. HART, 0000
EMILY H. HAYDON, 0000
GINA D. HEALD, 0000
HERRINGTON, 0000
CHARLES R. HINTON, JR., 0000
RANDALL S. HOFFMAN, 0000
DANNY L. HOWARD, JR., 0000
SAMUEL K. HOWARD, 0000
EMILY S. HOWELL, 0000
MATTHEW F. HOWES, 0000
CHRISTOPHE D. HRUDKA, 0000
NICOLE K. HUDSPETH, 0000
PATRICK M. HUGHES, 0000
LANCE A. JACKOLA, 0000
WILLIAM J. JAEGER, 0000
LARRY M. JENKINS, JR., 0000
JOSEPH W. JONES, 0000
ROBERT C. KAMEI, 0000
STEPHEN F. KEANE, 0000
WILLIAM J. KEHOE, 0000
JOSHUA A. KEISLER, 0000
PATRICK M. KELLY, 0000
STEPHEN J. KHOOBYARIAN, 0000
SEAN C. KILLEEN, 0000
CATHERINE A. KING, 0000
SHARON E. KING, 0000
THOMAS T. KING, 0000
ERICK V. KISH, 0000
JAMES V. KNAPP II, 0000
KARL K. KNAPP, 0000
KEITH F. KOPETS, 0000
JOHN A. KRALIK, 0000
THOMAS G. LACROIX, 0000
MICHAEL L. LANDREE, 0000
STEPHEN J. LAVELLE, 0000
JAMES R. LEACH, 0000

FRANCIS X. LILLY, JR., 0000
BART W. LOGUE, 0000
MARK C. LOMBARD, 0000
CHARLES M. LONG, JR., 0000
NICHOLAS J. LOURIAN, 0000
BENJAMIN J. LUCIANO, 0000
JEFFREY AL T. MAC FARLANE, 0000
JAMES D. MAHONEY, 0000
ROBERT K. MALDONADO, 0000
NICO MARCOLONGO, 0000
GRANT D. MARK, 0000
GEORGE W. MARKERT, 0000
BRIAN P. MATEJA, 0000
THOMAS F. MAZZELLA, 0000
COREY E. MC CLAIN, 0000
DAVID J. MC CLOY, 0000
TRACY L. MC GARVIE, 0000
MAURA A. MC GEE, 0000
CATHLEEN M. MC KINNEY, 0000
JAMES A. MC LAUGHLIN, 0000
STEPHEN J. MC NAMARA, 0000
TIMOTHY E. MC WILLIAMS, JR., 0000
PAUL M. MELCHIOR, 0000
JESSE E. MENDEZ, 0000
BRIAN L. MILAN, 0000
SCOTT H. MILLER, 0000
JOSEPH F. MOFFATT III, 0000
IVAN I. MONCLOVA, 0000
BILLY R. MOORE, JR., 0000
SAMUEL K. MOORE, 0000
MATTHEW T. MORRISSEY, 0000
KIRK D. MULLINS, 0000
KAIZAD J. MUNSHI, 0000
FERNANDO T. NATER, 0000
LEONARD E. NEAL, 0000
DAVID R. NETTLES, 0000
JENIFER NOTHELFER, 0000
JAMES J. OLSON, 0000
JOSEPH R. ONIZUK, 0000
MARK A. OSWELL, 0000
PAUL R. OUELLETTE, 0000
SEAN W. PASCOLI, 0000
RYAN W. PATERSON, 0000
MARK P. PATTERSON, 0000
JOHN G. PAYNE, JR., 0000
ADIN M. PFEUFFER, 0000
ROBERT C. PIDDOCK, 0000
JASON T. POWELL, 0000
STEPHEN M. POWELL, 0000
SAMUEL A. PRICE, 0000
ERIC R. QUEHL, 0000
AMY L. RAINES, 0000
JAMES R. READY, 0000
GARY R. REIDENBACH, 0000
MICHAEL D. REILLY, 0000
JUSTIN R. REIMAN, 0000
MICHAEL R. RENZ, 0000
EDWIN R. RICH II, 0000
CHARLES R. RIVENBARK, JR., 0000
GARY T. ROESTI, 0000
JAMES M. ROSE, 0000
KEVIN C. ROSEN, 0000
WILLIAM E. RUDD, 0000
EDWIN O. RUEDA, 0000
BRIAN K. RUPP, 0000
JEFFREY K. SAMMONS, 0000
FRANKLIN V. SANNICOLAS, 0000
JASON A. SANTAMARIA, 0000
SCOTT N. SCHMIDT, 0000
DANIEL A. SCHMITT, 0000
WILLIAM J. SCHOUVILLER, 0000
JOEL V. SEWELL, 0000
PATRICK S. SEYBOLD, 0000
BILLY J. SHORT JR., 0000
PATRICK E. SIMON, 0000
MATTHEW M. SKIRMONT, 0000
GERASIMOS J. SKORDOULIS, 0000
CHARLES E. SMITH, 0000
DOUGLAS W. SMITH, 0000
MICHELLE R. SMITH, 0000
WILLIAM R. SPEIGLE II, 0000
RYAN W. SPRINGER, 0000
ANTHONY R. STARNER JR., 0000
TIMOTHY STEFANICK, 0000
DEAN M. STEFFEN, 0000
MARCUS L. STEWART, 0000
ROBERT E. STPETER, 0000
ANDREW J. STRALEY, 0000
ADAM T. STRICKLAND, 0000
MARK A. SULLO, 0000
SHAWN M. SWANSON, 0000
DANIEL R. TAYLOR, 0000
TERRANCE L. THOMAS, 0000
JAMES R. THOMPSON, 0000
TRUETT A. TOOKE, 0000
KEVIN C. TRIMBLE, 0000
PATRICK M. TUCKER, 0000
CLIFTON L. TURNER, 0000
JOON H. UM, 0000
DAVID T. VANBENNEKUM, 0000
JEFFREY A. VANDAVEER, 0000
MICHAEL C. VANHORN, JR., 0000
JOHN T. VAUGHAN, 0000
TIMOTHY B. VENABLE, 0000
BRIAN J. VENTURA, 0000
KEVIN S. WADA, 0000
ROBERT R. WAFFLE, 0000
ERIC D. WARBASSE, 0000
DEREK J. WASTILA, 0000
PATRICK D. WAUGH, 0000
STEPHAN F. WHITEHEAD, 0000
JAMES B. WHITLOCK, JR., 0000
CRAIG W. WIGGERS, 0000
VERNON J. WILLIAMS, 0000
SAMUEL G. WILLIAMSON, 0000
ANDREW R. WINTHROP, 0000
JAY V. WIRTS, 0000
BRETT C. WITTMAYER, 0000
DONALD R. WRIGHT, 0000
GREGORY A. WYCHE, 0000
GREGORY A. WYNN, 0000
KEVIN E. YEO, 0000
ERIC K. YINGST, JR., 0000
PATRICK J. ZIMMERMAN, 0000

To be second lieutenant

DANN V. ANGELOFF, JR., 0000
DEREK M. BRANNON, 0000
PAUL R. BULLARD, 0000
ROBERT S. BURRELL, 0000
DAVID E. COOPER, 0000
MARK A. CUNNINGHAM, 0000
CHRISTOPHE E. DEANTONI, 0000
NEAL W. DUCKWORTH, 0000
JOHN F. GRIFFIN, 0000
MARK E. HALVERSON, 0000
ROBERT M. HANCOCK, 0000
WILLIAM C. HENDRICKS, IV, 0000
GORDON L. HILBUN, 0000
MICHAEL P. HOWARD, 0000
ROB L. JAMES, 0000
DOUGLAS K. KELLER, 0000
JAMES H. KELLER, 0000
KEVIN R. KORPINEN, 0000
KEVIN J. LEGGE, 0000
JOSEPH F. MAHONEY, III, 0000
SCOTT D. MANNING, 0000
DONALD G. MARASKA, 0000
JACOB M. MATT, 0000
DARREN W. MILTON, 0000
DAVID B. MOORE, 0000
BRIAN W. MULLERY, 0000
DANIEL M. O'CONNOR, 0000
SEAN T. QUINLAN, 0000
SEAN P. RILEY, 0000
CLAIBORNE H. ROGERS, 0000
KELLY D. ROYER, 0000
DENNIS A. SANCHEZ, 0000
JOSEPH G. SCHMITT, 0000
SCOTT D. SEEDER, 0000
KRAIG D. SMITH, 0000
WILLIAM A. THOMAS, II, 0000
ERIC N. THOMPSON, 0000
BRADFORD W. TIPPETT, 0000
DAVID J. VANLANEN, 0000
FRANCIS M. WALD, 0000
JAMES R. WENZEL, 0000