

**NLWJC - Kagan**

**DPC - Box 006 - Folder 008**

**Campaign Finance Reform - FEC  
Petition**

THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release

February 5, 1998

TEXT OF A LETTER FROM THE PRESIDENT  
TO THE MEMBERS OF THE  
FEDERAL ELECTION COMMISSION

February 5, 1998

To the Members of the Federal Election Commission:

I strongly support action to end the soft money raised by both political parties. That is why last year I asked the Federal Election Commission to ban soft money, under its current legal authority. I am very pleased that your General Counsel has proposed a new rule prohibiting national parties from raising soft money. Banning soft money fundraising by national party committees will enable our election laws to catch up with the reality of the way elections are financed today, and along with new campaign finance reform legislation, will take significant strides toward restoring public confidence in the campaign finance process.

Now I ask you to step up to your responsibility and act, within your legal authority, to end the soft money system. The American people deserve nothing less.

Sincerely,

WILLIAM J. CLINTON

# # #



● Paul J. Weinstein Jr.

02/03/98 02:50:04 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Thomas L. Freedman/OPD/EOP  
cc: William P. Marshall/WHO/EOP, Peter G. Jacoby/WHO/EOP  
Subject: REVISED statement on soft \$\$\$ - rahm hasn't commented, but he won't care .. go for it

Waldman decided we needed to release this today since AP had a blurb on the proposed FEC rule this morning. He has sent it over Lockhart. It is a revision of the one I did yesterday. Somewhat shorter but still to the point.

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 02/03/98 02:48 PM -----

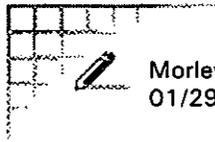


Michael Waldman  
02/03/98 02:46:20 PM

Record Type: Record

To: Joseph P. Lockhart/WHO/EOP, Elizabeth R. Newman/WHO/EOP  
cc: Michelle Crisci/WHO/EOP, Paul J. Weinstein Jr./OPD/EOP  
Subject: REVISED statement on soft \$\$\$ - rahm hasn't commented, but he won't care .. go for it

I strongly support action to end the soft money system raised by both political parties. That is why last year I asked the Federal Election Commission to ban soft money, under its current legal authority. I am very pleased that the agency's general counsel has proposed a new rule prohibiting national parties from raising soft money. Now I ask the members of the Commission to step up to their responsibility and act, within their legal authority, to end soft money.



Morley A. Winograd @ OVP  
01/29/98 08:35:06 AM

Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP  
cc: See the distribution list at the bottom of this message  
bcc:  
Subject: Re: FEC Petition 

Paul:

I would suggest we hold off deciding our position on this until the CFR taskforce that I failed to properly invite to this week's meeting can meet next week. Solving this problem and not others, ie. third party expenditures, may make the problem worse. I will have my COS set up a time that we can all make next week to discuss.

Morley

Paul J. Weinstein Jr. @ EOP 01/28/98 02:53:41 PM



● Paul J. Weinstein Jr. @ EOP

01/28/98 02:53:41 PM

Record Type: Record

To: Rahm I. Emanuel/WHO/EOP @ EOP, Michael Waldman/WHO/EOP @ EOP, Bruce N. Reed/OPD/EOP  
cc: See the distribution list at the bottom of this message  
Subject: FEC Petition

In response to the President's petition to ban "soft money" and the petitions of Members of Congress, the FEC's General Counsel is recommending that the Commission approve a draft notice of a proposed rulemaking to virtually eliminate "soft money" fundraising by the national party committees, and require them to defray nearly all of their expenses, including their mixed activity expenses, with hard dollars. The proposal also recommends the following:

1. Seeks comments to on ways to ensure that transfers of both hard and soft money from national to state and local party committees and to non-profit organizations do not circumvent the 1991 allocation rules;
2. Seeks comments on an alternative approach that would allow national party committees to raise and spend soft money for nonfederal candidates;
3. Describes a number of approaches for ensuring that state and local committees do not use soft dollars to influence federal elections, including requiring state and local party committees to pay for their mixed activities entirely with hard dollars (this is not clear whether the Commission has the jurisdiction to implement such a rule). Another approach would involve earmarking;
4. Seeks comments on the possibility of requiring additional reporting by state and local party

committees in order to enable the Commission to monitor compliance with these proposals, should they be implemented;

5. Requires state and local committees to allocate the costs of generic voter drives whether they are conducted directly by the party committee or are financed by the party committee and conducted by another entity;

6. Establishes new rules to make it clear that all contributions that result from a solicitation made by a federal candidate or officeholder are subject to FECA, unless the donor expressly designates the contribution for an otherwise permissible nonfederal account, such as a building fund account.

The Commission will consider this draft notice of proposed rulemaking for publication in the Federal Register on February 12, 1998. I would recommend we strongly support the Commission taking that action. While this rulemaking does not completely ban soft money, it would establish new limits on the fundraising and use of soft money.

Please advise.

Message Copied To:

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Elena Kagan/OPD/EOP  
William P. Marshall/WHO/EOP @ EOP  
Morley A. Winograd/OVP @ OVP  
Peter G. Jacoby/WHO/EOP @ EOP  
Thomas L. Freedman/OPD/EOP  
Paul E. Begala/WHO/EOP @ EOP  
Michelle Crisci/WHO/EOP @ EOP

Message Copied To:

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rahm i. emanuel/who/eop  
michael waldman/who/eop  
bruce n. reed/opd/eop  
elena kagan/opd/eop  
william p. marshall/who/eop  
peter g. jacoby/who/eop  
thomas l. freedman/opd/eop  
paul e. begala/who/eop  
michelle crisci/who/eop

Campaign finance -  
FEC petition



● Paul J. Weinstein Jr.

02/04/98 12:20:30 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Morley A. Winograd/OVP @ OVP, William P. Marshall/WHO/EOP, Peter G. Jacoby/WHO/EOP, Donald H. Gips/OVP @ OVP

Subject: FEC Petition Letter

Yesterday the President issued a statement on his petition to the FEC on "Soft Money". Attached is a letter that we would like to release along with the letter to the FCC on Free TV time. The purpose of the letter is to place additional pressure on the FEC commissioners prior to their February 12 meeting to discuss the proposed rule. The letter is a little more detailed than yesterday's statement.

Please let me know by 4:00 pm today if you are ok with this draft and releasing the letter tomorrow.



FECPET.L

Message Sent To:

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Phillip Caplan/WHO/EOP  
Rahm I. Emanuel/WHO/EOP  
Michael Waldman/WHO/EOP  
Bruce N. Reed/OPD/EOP  
Elena Kagan/OPD/EOP

February 4, 1998

Members of The Federal Election Commission  
c/o Office of the General Council  
999 E Street , NW  
Washington, DC 20463

To the Members of the Federal Election Commission:

I strongly support action to end the soft money system raised by both political parties. That is why last year I asked the Federal Election Commission to ban soft money, under its current legal authority. I am very pleased that the agency's general counsel has proposed a new rule prohibiting national parties from raising soft money. Banning soft money fundraising by national party committees will enable our election laws to catch up with the reality of the way elections are financed today, and along with new campaign finance reform legislation, will take significant strides toward restoring public confidence in the campaign finance process. Now I ask the members of the Commission to step up to their responsibility and act, within their legal authority, to end soft money. The American people deserve nothing less.

Sincerely,

William Jefferson Clinton

February 4, 1998

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Sincerely,

William Jefferson Clinton



Paul J. Weinstein Jr.

02/04/98 09:37:23 AM

Record Type: Record

To: Donald H. Gips/OVP @ OVP

cc: See the distribution list at the bottom of this message

Subject: Hill Activities On Free TV Petition

Here are the two rumors on actions that the Senate may take on the President's petition on Free TV to the FCC. First, McCain is still considering a sense of the Senate amendment stating that the FCC does not have the authority to implement the President's request. It is my understanding that Commissioner Ness (she is one of the Democrats) has indicated she might vote against doing anything on Free TV if the Senate passes such an amendment. Second, there is talk of putting a rider on an the FCC's appropriation that would prohibit them from spending any money on the Free TV rulemaking.

I have discussed both these issues with Peter Jacoby in Leg. Affairs. He is trying to reach McCain's office regarding both rumors.

Message Copied To:

Rahm I. Emanuel/WHO/EOP  
Michael Waldman/WHO/EOP  
Morley A. Winograd/OVP @ OVP  
Michelle Crisci/WHO/EOP  
William P. Marshall/WHO/EOP  
Bruce N. Reed/OPD/EOP  
Elena Kagan/OPD/EOP  
Thomas L. Freedman/OPD/EOP



● Paul J. Weinstein Jr.

02/02/98 06:00:16 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: FEC Petition

I have talked with Bobby Rozen who agrees with me that we need to make a strong statement this week in support of the General Counsel's recommendation that the Commission approve a draft notice of a proposed rulemaking to virtually eliminate "soft money" fundraising by the national party committees. While the odds of the Commission taking any action are slim, they are almost non-existent without some pressure from the Administration. In addition, a statement from us, before this draft notice of a proposed rulemaking becomes public, insures that the President continues to get credit for his efforts on banning soft money.

Below is a proposed statement and my earlier e-mail describing the recommendations of the FEC General Counsel:

**"I want to applaud the General Counsel of the Federal Elections Commission (FEC) for proposing a ban of "soft money" fundraising by national party committees. While this proposed rulemaking does not fully meet my request for a complete ban of "soft money", it would significantly decrease the impact of soft money on our political system and I call on the Commission to adopt the General Counsel's recommendation at their February 12 meeting.**

I am pleased that the General Counsel has concluded, as I stated in my petition of June 7, 1997, that banning "soft money" fundraising is within the FEC's existing statutory authority. I believe this authority should be fully exercised by the Commission. Banning "soft money" fundraising by national party committees will enable our election laws to catch up with the reality of the way elections are financed today, and along with new campaign finance reform legislation, will take significant strides toward restoring public confidence in the campaign finance process.

But the proposed rulemaking of the General Counsel is not the total solution. It remains imperative that Congress pass legislation that deals with other soft money issues such as state party spending and issue advocacy. I challenge Congress to pass the McCain-Feingold and Shays-Meehan bills this Spring. The American people deserve nothing less."

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 02/02/98 03:34 PM -----



● Paul J. Weinstein Jr.

01/28/98 02:53:41 PM

Record Type: Record

To: Rahm I. Emanuel/WHO/EOP, Michael Waldman/WHO/EOP, Bruce N. Reed/OPD/EOP  
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Please advise.

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Michelle Crisci/WHO/EOP



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Camp Fin -  
FEC petition



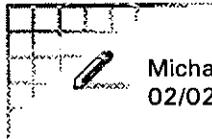
● Paul J. Weinstein Jr.

02/02/98 07:00:25 PM

Record Type: Record

To: Michael Waldman/WHO/EOP  
cc: See the distribution list at the bottom of this message  
bcc:  
Subject: Re: FEC Petition 

I agree. I will turn this into a letter to the Commission.  
Michael Waldman



Michael Waldman  
02/02/98 06:04:14 PM

Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP  
cc: See the distribution list at the bottom of this message  
Subject: Re: FEC Petition 

I agree. I think the best thing to do is to send a letter ... I would rewrite it slightly ... and leak to one paper, maybe the NYT, with our "see, it wasn't so crazy after all" spin.

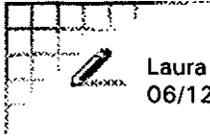
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William P. Marshall/WHO/EOP  
Peter G. Jacoby/WHO/EOP

Campaign finance -  
soft money petition



Laura K. Capps  
06/12/97 12:39:31 PM

Record Type: Record

To: Laura Emmett/WHO/EOP, Michelle Crisci/WHO/EOP, Paul J. Weinstein Jr./OPD/EOP, William P. Marshall/WHO/EOP

cc:  
Subject: FEC #2

**PRESIDENT WILLIAM J. CLINTON**  
Statement on the FEC Ruling  
June 12, 1997

Today I applaud the Federal Election Commission's unanimous decision to begin to consider my request that they act to ban soft money in federal elections. This is an important step in our effort to reform our elections and restore the trust of the American people in their political system.

As I said in my petition to the FEC, the rules governing our system of financing federal election campaigns are sorely out of date. The system has been overwhelmed by a tide of money, raised in amounts and in ways that could not have been contemplated when the system was created two decades ago. I believe that the FEC has the authority and the obligation to take dramatic action, and I am pleased that five congressional sponsors of bipartisan campaign finance reform, led by Congressmen Shays and Meehan, have filed a similar petition before the commission.

I urge the FEC to take the next step and begin the process of writing new rules that will ban soft money.

**CAMPAIGN FINANCE REFORM:  
ON POSSIBLE FEC SOFT MONEY PETITION**

(This Section should only be submitted to POTUS with clearance from Rahm)

**Question: What makes you think the FEC has the authority to do this?**

Answer: In 1996, as you know, both parties raised unprecedented amounts of soft money funds from corporations, unions, and large individual contributions. I strongly support legislation that would prohibit both political parties from raising these funds. But we don't need to wait for legislation. The soft-money system is largely the product of FEC opinions and rules over the years. The FEC could act to prohibit nearly all uses of soft money under its existing statutory authority. They acted in good faith when they wrote these rules, and the parties lived under them. I believe that the changes in campaign financing have been so substantial – in terms of the amount of money spent, and what it is spent for – that the FEC should revisit its rules.

**Question: Is this an attempt to divert attention from the legislation, which appears to be dead?**

Answer: No. it is a token of our determination to make this the year that we reform our campaign finance laws – however we have to do it. I strongly support legislation. But we must not wait for Congress if we have a chance to reform elections. I think this should be taken as a sign by congressional opponents of reform – one way or another, we will see campaign finance reform this year. Given all the focus on these issues this year, it will be very hard for Congress to say we're not going to act.

**Question: What about independent expenditures or issue advertisements by outside groups – why doesn't this proposal cover those practices?**

Answer: This petition would deal with soft money, the fastest growing and most widely criticized aspect of campaign funding. This proposal doesn't try to do everything. That is one more reason we need comprehensive legislation, and why I support the McCain-Feingold bill.

**Question: If the FEC grants your petition's request to ban soft money, would that stop the type of issue ads the DNC ran in 1995 and during the 1996 campaign?**

Answer: My petition would ban the use of all soft money by the DNC, the RNC, and all other party committees, both for issue ads and for any other activity that impacts a federal election. *[Note: Parties would still be able to run issue ads, but would have to use hard money, which did pay for the bulk of the issue ads in 1995.]*