

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Michael Waldman to Saffy Katzen re: Revolving Door and Ethics Issues (1 page)	ca. 1994	P5

**COLLECTION:**

Clinton Presidential Records  
 Domestic Policy Council  
 Bruce Reed (Subject File)  
 OA/Box Number: B428

**FOLDER TITLE:**

Lobbying Reform [2]

rs50

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisers, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
- RR. Document will be reviewed upon request.

STATEMENT OF PRESIDENT WILLIAM J. CLINTON  
LOBBYING REFORM  
OCTOBER 6, 1994

I am deeply disappointed in the decision by some Republicans in the Senate to block passage of a strong lobbying reform bill and a tough gift ban. At a time when we ought to be taking government out of the hands of the influence industry, it's a shame that some Republicans have voted to let Congress keep taking free meals, free gifts, and free vacations from lobbyists who don't have to disclose who they work for, how much they're paid, or what they want. The American people deserve better.

TALKING POINTS ON LOBBYING REFORM  
OCTOBER 6, 1994

\* Today, \_\_\_ Republicans voted to let Congress keep taking free meals, free gifts, and free vacations from lobbyists who don't have to disclose who they work for, how much they're paid, or what they want. The American people deserve better.

\* There was no excuse for opposing this bill. The only people required to register under the new lobbying reform rules would be paid, professional lobbyists -- not ordinary citizens.

\* This bill had the support of major religious, grassroots, and reform organizations. Ross Perot's United We Stand endorsed the bill, and its director suggested that "high-powered lobbyists" were spreading misinformation as "a scare tactic to get 'grass-roots people' to kill the bill for them."

\* The bill would have banned lobbyists from buying meals, gifts, travel, and entertainment for members of Congress and their staffs. Today's vote means that practice can continue.

# Gingrich Tactic to Derail Lobbying Reform Shows His Skill at Rousing Conservative Opinion Makers

By JOHN HARWOOD  
And PHIL KUNTZ

Staff Reporters of THE WALL STREET JOURNAL  
WASHINGTON — Above all else, Rep. Newt Gingrich's stock-in-trade has been challenging the political status quo. But now the Georgia Republican has unleashed a powerful challenge of a different sort — against this Congress's lone surviving effort to change politics-as-usual in Washington.

With a last-minute shift in tactics, the nimble House GOP Whip opened a new line of attack against a sweeping lobby reform bill that would bar lawmakers from accepting meals, gifts and recreational junkets from special interests. After earlier defending the current system as "honest and reasonable," Mr. Gingrich began attacking the proposed reform bill as an "anti-religious" attempt to quell grass-roots public dissent.



Rep. Newt Gingrich

At least one of the arguments Mr. Gingrich makes is wrong. Critics say that other arguments are exaggerated. And some grass-roots groups such as Ross Perot's United We Stand America suggest that the Republican leader's argument on their behalf is designed to provide a cover for those who want to preserve the perks and trips that lawmakers get from lobbyists and corporations.

## Instant Firestorm

But Mr. Gingrich's success in propelling this line of argument from obscurity into the center of congressional debate, as with his effort to hold up the crime bill, illustrates his skill in manipulating the levers of conservative opinion to bedevil political opponents. The instant firestorm he created after appealing to a wide range of conservative opinion makers, from Rush Limbaugh to Pat Robertson to this newspaper's editorial page, nearly derailed the bill in the House last week. And now Senate Minority Leader Robert Dole is mimicking Mr. Gingrich's arguments in filibustering a bipartisan measure that days ago was sailing toward President Clinton's desk. Democratic leaders will attempt to break the filibuster in a floor vote, perhaps as early as today.

Mr. Gingrich seized on the political potential of defending grass-roots organizations when he was briefed on a House-Senate lobby reform compromise less than two weeks ago. Early last week, at a GOP leadership meeting two days before the House vote, he enlisted deputies. Within 24 hours, Republican Rep. Tom DeLay of Texas had faxed arguments against the bill to some 500 conservative radio talk-show hosts, including the biggest one of all: Rush Limbaugh. Mr. Limbaugh promptly took up the call, hosting Mr. DeLay on his nationally syndicated show and raising questions about the bill's possible "chilling effect" on citizen protest. "I get projects done," Rep. DeLay boasts.

Another Gingrich ally, freshman GOP Rep. Ernest Istook of Oklahoma, rallied more opposition at a weekly lunch for conservative activists at the offices of Paul Weyrich's Free Congress Foundation. The gathering included an aide to Republican strategist William Kristol. The next day, Mr. Kristol attacked the lobby bill as a move to "suppress grass-roots activism" in a memo that exhorted GOP leaders to "Keep on Obstructin'."

Meanwhile, Mr. Gingrich worked to deploy the Christian Coalition, whose evangelical members are increasingly important foot soldiers in GOP campaigns. Executive Director Ralph Reed says the coalition had longstanding concerns about the bill but considered it fruitless to mount opposition. However, after Mr. Gingrich contacted him to pledge an all-out attack by the House GOP leadership, Mr. Reed says, "We started moving into gear here." The coalition alerted members by fax memo of a looming "gag rule," while its founder, the Rev. Pat Robertson, denounced the bill on his religious TV show.

Mr. Gingrich also made a pitch for an editorial in this newspaper. Last Tuesday, as more than 300 GOP House candidates gathered to sign a "Contract with America" on the steps of the Capitol, a Gingrich aide handed Journal editorial writer John Fund a three-page summary of the case against the lobby bill, according to Mr. Fund. The next day, Mr. Gingrich directed an aide to call Mr. Fund and urge that he write an editorial on Thursday, the day of the House vote.

The Journal opined in a brief editorial comment the following morning that, "What is being sold as a bill to curb special interests looks to us like a way to discourage people from exercising their Constitutional right to petition their government." Mr. Fund calls Mr. Gingrich "an idea factory," but says that he contacted proponents of the bill as well, and that the Journal made its own decisions on the timing and content of the editorial comment.

Daniel Henninger, deputy editorial page editor, says: "The Wall Street Journal editorial page is in the business of commenting on important public issues. The House vote on the lobbying bill qualified."

One of Mr. Gingrich's claims is clearly inaccurate. During House debate, he said people violating the proposed law "might go to jail." In fact, the bill contains no criminal penalties and eliminates those in current law. It does call for civil penalties, including fines of as much as \$200,000, from a new federal Office of Lobbying Registration and Public Disclosure.

Under the bill, people who are paid more than \$2,500, or who spend more than \$5,000, to contact top federal officials in a six-month period must register as lobbyists and report details of their activities. One purpose is to illuminate the

growing "grass-roots" sector of Washington's influence-peddling industry, which uses phone banks, mailings and advertisements to persuade citizens to pressure the government.

## Complaints Against Bill

Opponents of the bill, including some liberal groups, also claim it could require nonprofit groups to disclose the name of anyone who encourages someone else to call a member of Congress, as well as membership and contribution lists. But sponsors insist the bill merely requires the disclosure of those "retained" — for money — to conduct grass-roots efforts, and of certain organizations that contribute more than \$5,000 to lobbying efforts.

Finally, Mr. Gingrich complains the bill's exemption for lobbying by religious organizations is too vague. It is true, the exemption isn't precise, covering only lobbying contacts "if the communication constitutes the free exercise of religion," and it may have to be deciphered by the courts. But several religious lobbying groups endorsed it nonetheless. "I think he is plainly wrong," according to J. Brent Walker, general counsel to the Baptist Joint Committee.

Proponents of lobby reform have themselves displayed considerable acumen in maintaining a drumbeat of support for months. If not for hectoring from such public interest lobbies as Common Cause and editorials in newspapers such as the New York Times, Democratic leaders may well have abandoned attempts to change the current system, which allows them to accept such treats as meals, football tickets and ski trips from lobbyists and special interests. Like Mr. Gingrich,

House Speaker Thomas Foley (D., Wash.) himself has said he sees nothing fundamentally wrong with the current system.

That's why many lawmakers in both parties considered it a godsend when Mr. Gingrich attacked the bill on free-speech grounds. "There were some people looking for political cover," concedes Rep. Istook. And on a key procedural vote on whether to move the bill forward, a bipartisan group of opponents actually voted to stop the bill before Democratic leaders persuaded several members to switch their ballots, salvaging the bill by a 215-206 margin. In the end, Republicans may also fall short in their attempt to sustain a Senate filibuster, considering the depth of public disgust with Congress.

Moreover, Mr. Gingrich and his allies may have overreached in their attempt to rustle up opposition. Rep. Istook, among others, was bold enough to solicit help from Mr. Perot's United We Stand. The group's principal theme in the 1992 campaign and since has been the denunciation of moneyed interests for manipulating government in Washington. After examining the Republican arguments against the bill, the organization concluded they were groundless — and perhaps a ruse.

"There's nothing in the bill that infringes on our members' rights to communicate with their elected or hired government officials," wrote national policy coordinator Russ Verney to United We Stand members. "Officials and high-powered lobbyists who are opposed to the real meat of the bill," he warned, "may be using this provision as a scare tactic to get 'grass-roots people' to kill the bill for them."

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## Democrats Vow to Take Up Trade Pact Despite Attempt by Gingrich for Delay

By BOB DAVIS  
And DAVID ROGERS

Staff Reporters of THE WALL STREET JOURNAL  
WASHINGTON — The House Democratic leadership vowed to push through the world trade pact today despite an effort by Republican Whip Newt Gingrich to derail a vote until after the November elections.

"We think it's possible and we're going to try to do it," said Majority Leader Richard Gephardt of Missouri last night. The Democratic strategy is to call the bluff of those like Mr. Gingrich who say they back the pact but also are courting trade-pact opponents aligned with Ross Perot before the November elections.

President Clinton plans to come to the Capitol today to address a Democratic caucus before the vote and ask for their support. In addition, White House Chief of Staff Leon Panetta is calling a meeting of major business organizations at the White House this morning to push them to lobby for the accord.

Mr. Gingrich, a Georgia Republican, stunned a closed-door meeting of 100 business lobbyists gathered in a Capitol conference room yesterday by declaring he would oppose efforts to bring the trade pact to a vote today. According to several individuals present, he cited his concern about "hidden" provisions in legislation implementing the pact, particularly one that grants a company controlled by Wash-

ington Post Co. a discount on a cellular-telephone license. More time is needed to examine and debate the pact, he said.

### Test of Clinton's Leadership

Specifically, Mr. Gingrich said he would rally Republicans to vote against a procedural rule necessary to bring the trade pact to the House floor for a vote. His opposition throws into considerable doubt whether the House vote on the pact, negotiated under the General Agreement on Tariffs and Trade, will come before the election. And it sets up yet another test of the President Clinton's ability to lead on international economic issues. Already, a Democratic senator has blocked Senate action until early December.

GATT supporters fear that any further delays would aid GATT critics who are trying to turn the trade pact into a populist election issue. "Any delay just allows the people who are against the bill to continue to find red herrings to oppose it," said John Boidock, executive director of Alliance for GATT Now, a business coalition. After word of Mr. Gingrich's opposition spread, business groups in Washington faxed chief executives of major corporations to ask them to lobby lawmakers by telephone.

Administration officials said they have consulted regularly with Mr. Gingrich on provisions of the trade pact, so he

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shouldn't be surprised about the provisions. His opposition appears to reflect in part his concern about Perot voters. Mr. Gingrich, who speaks regularly with Mr. Perot, discussed those voters at the meeting and pointed out that Mr. Perot was scheduled to appear last night on "Larry King Live."

### Michel Clearly Worried

Mr. Gingrich's efforts split the Republican leadership. Minority Leader Robert Michel of Illinois described the mood of House leaders as "full steam ahead," although he was clearly worried. He said his own vote count "does not look good" for acting on the bill. But if Democrats can make a strong showing, the administration still hopes to win or at least expose the partisan maneuvering behind the opposi-

Last night, pro-GATT Democrats said they thought their party could make a strong showing in support of an initial procedural vote expected this morning. But the leadership would still need 40 to 50

Republican votes to prevail, and estimates last night indicated the GOP support would be short of this mark. "We are very respectable right now," said Rep. Barbara Kennelly (D., Conn.), "but we can't do it alone."

With Republicans riding a favorable tide in the polls, Mr. Gingrich, who is expected to succeed Mr. Michel next year, wants to do nothing now that would jeopardize the GOP's ability to make major gains in the next Congress. "Why would we?" the Georgia conservative asked in an interview.

A fight on the rule, which sets the terms of debate on a bill, hadn't been expected. That's because trade bills are governed by special procedures that bar amendments and expedite action.

### Surprising Positions

Nevertheless, the pending fight has lawmakers taking surprising positions. Mr. Gingrich said he would vote for GATT if the rule was approved, while Democrat Whip David Bonior of Michigan said he would support the rule but oppose GATT.

For his part, Mr. Gingrich said he wanted to use the procedural vote to highlight disagreements with some provisions in the legislation, particularly the discount granted to American Personal Communications Inc., which is 70%-owned by Washington Post. Two Baby Bell telephone companies are leading critics of the provision, which also granted two other companies discounts on the next-generation cellular-telephone licenses.

But Rep. John Dingell (D., Mich.), chairman of the House Energy and Commerce Committee, who had the provisions inserted into the GATT legislation, called ads run by Pacific Telesis Group attacking the deals "misleading and motivated by a desire to secure competitive advantage."

For his part, Rep. Gingrich sent a letter to House Speaker Thomas Foley, signed "your friend, Newt," urging the Commerce Committee to hold hearings this week clarifying the issue.

Pacific Telesis's main concern is that Cox Enterprises Inc. will get a competitive advantage. Cox was chosen to receive one of the two licenses covering the Los Angeles area, a region that stretches from San Diego to Las Vegas, the heart of Pacific Telesis's territory. Pacific Telesis officials worry their company will pay 70% to 75% more than Cox for an identical license.

—Mary Lu Carnevale contributed to this article.

## Continued Rise In the Economy Is Seen in Index

### Leading Indicators Increased By 0.6% During August, The Most Since March

By CHRISTOPHER GEORGES

Staff Reporter of THE WALL STREET JOURNAL  
WASHINGTON — The recent economic expansion is likely to continue through the end of the year, the government's chief gauge of future economic activity suggests.

The index of leading economic indicators, which attempts to predict economic activity, rose 0.6% in August for its largest increase since March, the Commerce Department reported. The index now has risen in 11 of the past 13 months and remained steady in the two others.

"The economy is robust. The expansion is well-balanced," said Joseph Liro of S.G. Warburg & Co. "Overall, the numbers show that the economy is in very good shape."

### Inflation Worries

But along with the expansion comes an increased likelihood of inflationary pressures. Although some sectors, such as housing, have seen recent flattening, and despite rising interest rates, the current level of growth will probably cause a spike in the inflation rate, said Carl Palash, chief economist at Money Watch, a financial-market advisory service.

Thus far, inflation has stayed largely in check, thanks primarily to brisk competition as well as to wage increases that have remained modest. But some analysts predicted that may soon change.

"We started to see unit labor costs rise in the second quarter," said Mr. Liro, "and as incomes start growing consumers are likely to tolerate faster increases in prices."

Yesterday's report on leading indicators, combined with a series of strong economic reports over the past two weeks, have also fueled speculation among economists of an imminent interest-rate increase by the Federal Reserve.

### Almost Certain

"The mosaic of indicators almost ensures another Fed tightening," said David Bostian, chief economist at Herzog, Heine, Geduld Inc. "And there is a real chance it might come this month" — before the Fed Open Market Committee's next scheduled meeting on Nov. 15.

The August leading-indicator advance was broad-based. Nine of the index's 11 components made positive contributions, led by increased factory orders for consumer goods, slower business-delivery times—usually a sign of rising orders—and fewer initial claims for unemployment insurance.

Also advancing were stock prices, raw-material prices, consumer expectations, the average work week, business orders for plant and equipment, and building permits.

### LEADING INDICATORS

Here are the net contributions of the components of the Commerce Department's index of leading indicators. After various adjustments, they produced a 0.6% increase in the index for August and no change in July.

	Aug. 1994	July 1994
Workweek	.04	-.04
Unemployment claims	-.09	-.02
Orders for consumer goods	.25	-.08
Slower deliveries	.11	-.02
Plant and equipment orders	.01	-.01
Building permits	.02	-.02
Durable-order backlog	-.05	-.01
Materials prices	.05	.27
Stock prices	.08	-.02
Money supply	-.09	.00
Consumer expectations	.04	-.08

The seasonally adjusted index numbers (1992=100) for



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## THE WHITE HOUSE

Office of the Press Secretary

Embargoed for Release  
Until 10:06 A.M. EDT  
Saturday, October 1, 1994

## RADIO ADDRESS BY THE PRESIDENT TO THE NATION

The Roosevelt Room

THE PRESIDENT: Good morning. As we come to the end of this congressional session in 1994, it's clearer than ever that Americans still want to change the way Washington works -- and they should.

We've worked hard here for 20 months to make sure government responds to ordinary citizens, not to organized pressure groups; responds to the national interests, not narrow interests. And we've made some good progress, but there's still a lot of work to do.

Since I became President, we fought to change the culture of our capital city. We first imposed the toughest ethics rules ever on our own officials. Then we moved to close the tax loopholes that lets lobbyists deduct the cost of their activities. And then our initiative to reinvent government, led by the Vice President, is already making progress in making government work better and cost less.

We're cutting the size of the federal government by 270,000, to its lowest level since John Kennedy was President. Already, in our 20 months, there are 70,000 fewer people on the federal payroll. And we're giving every dime of the money we save in reducing the federal payroll back to local communities to fight crime. We've also slashed regulations and bureaucracy, speeded up the time Small Business Administration loans get answered. We've changed the way government buys products to make it cheaper and more efficient. We've given 17 states permission to change the rules so they can move more folks from welfare to work.

MORE

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Despite all these steps forward, our political system is still too often an obstacle to change, not an instrument of progress. One big reason is that here in Washington there are some 80,000 paid lobbyists who work to influence the government. In the last year, we've certainly seen how well-organized, lavishly-funded campaigns by people protecting their narrow interests work.

The gun lobby nearly derailed the crime bill, strongly supported by police and prosecutors, just because it banned 19 assault weapons from our streets -- weapons designed only to kill people -- and in spite of the fact that the crime bill protected 650 hunting and sporting weapons from any federal restrictions.

The foes of health care reform have spent \$300 million, by most estimates, to oppose change. By all accounts, this was the most intense lobbying campaign in history. But rest assured, we're not giving up on our fight for health care reform, for universal coverage, cost controls, and protecting small businesses and the people who have health insurance now from losing it.

This week we're working to pass a major reform bill that Congress still has time to act on -- a bill that will go a long way toward taking government out of the hands of the influence industry. The legislation, for the first time ever, would require lobbyists to

MORE

- 3 -

fully disclose who they work for, how much they're paid and what they're seeking to get out of government. That's not all it does. It also prevents lobbyists from buying members of Congress meals, gifts or vacations. All in all, it's very tough, and it will change the way Washington does business.

Not surprisingly, a lot of Washington's lobbyists don't like this bill very much. It takes away their special access and puts ordinary people on a more equal footing. And now, at the last minute, some are trying to defeat lobby reform with bogus arguments.

Last Thursday, the House of Representatives stood up to intense pressure and passed lobby reform by a large margin. This week, it's the Senate's turn. The lobbyists and their allies will throw up a lot of rhetoric about how this bill hurts ordinary people. Don't you believe it. It's bad news for people who use paid professional lobbyists to influence legislation and don't want you to know what they're doing. That's all it does, and that's why the Senate should pass it immediately.

I've fought for reforms like this my entire public career. When I was Governor of Arkansas, after years of trying to pass lobby reform through the legislature, I went to the people of my state, and we passed a tough bill by a popular vote. I advocated this measure when I ran for President, and I've worked for it ever since. I am confident it will become law.

There's another bill Congress should pass before it goes home. This would apply the laws Congress passes to govern the rest of America to Congress itself. That's just common sense, and it's only fair. But, believe it or not, it doesn't always hold up today. The people who make laws for the private sector should be willing to live under the laws they make. That's what this law would require.

Even these important changes, however, won't complete the task of political reform. The way we fund campaigns gives too much power to special interests and too often drowns out the voice of the people. We had a good chance to change that. But yesterday, once more, a Senate filibuster defeated campaign finance reform. I was very disappointed by this result. The campaign finance reform bill was a strong bill. It gave real reform. It would have limited spending in congressional races, curbed the political action committees, opened the airwaves to honest debate, and closed the so-called "soft money loophole" in our presidential election system.

The fight for campaign reform isn't over, either. We'll return to it next year with redoubled determination to get this job

MORE

done. The American people demand it.

Since I became President, we've made real progress in turning our country around -- in getting our economic house in order, fighting crime, making government work for ordinary people. Our comprehensive economic strategy cut our deficit drastically, and for three years in a row for the first time since Mr. Truman was President. We've expanded trade with Mexico, negotiated a worldwide trade agreement, improved the education and training of our work force. We've got 4.3 million new jobs in just 20 months, and our country's rated the most productive in the world for the first time in nine years. We've also enacted a tough crime bill. And we've begun with reinventing government -- the effort to make government work for ordinary people.

But to finish this work, we need to keep changing the way government does the people's business. Let's keep forward in the fight for political reform. We need your help on that.

Thanks very much.

END

MORE

EXECUTIVE OFFICE OF THE PRESIDENT

03-Oct-1994 12:49pm

TO: Bruce N. Reed

FROM: Paul J. Weinstein, Jr  
Domestic Policy Council

SUBJECT: SHAYS/LEIBERMAN BILL

THE EARLIER INFO I GAVE YOU WAS A LITTLE OFF. HERE IS AN UPDATE:

LOBBYING REFORM IS EXPECTED ON THE FLOOR OF THE SENATE TUESDAY NIGHT, THE LIEBERMAN/SHAYS BILL IS SCHEDULED TO FOLLOW THAT, SO EXPECT A VOTE WEDNESDAY MORNING OR AFTERNOON.

LIST OF POTENTIAL AMENDMENTS:

SIMON -- CREATE AN AFRICAN-AMERICAN MUSEUM ON THE MALL

MOSELY-BRAUN -- EXTEND THE EXEMPTION FOR COPS AND FIREFIGHTERS FROM THE AGE, DISCRIMINATION EMPLOYMENT ACT (ADEA)

BROWN -- HAITI

MCAIN -- ERISA

BOREN/DOMENICI -- COMMITTEE REORGANIZATION BILL

WOFFORD -- NO HEALTH CARE FOR MEMBERS OF CONGRESS UNTIL THEY PASS REFORM BILL.

LIBERMAN'S STAFF WOULD LIKE US TO QUIETLY WORK SOME OF THE DEMOCRATS TO SEE IF WE CAN KEEP THEM FROM OFFERING THEIR AMENDMENT. FOR THIS BILL TO PASS THIS YEAR, IT MUST NOT GO TO CONFERENCE, WHICH MEANS THE SENATE MUST PASS A CLEAN BILL (PERFECTING AMENDMENTS ARE ALLOWED). REMEMBER THOUGH, THE BILL CAN'T HAVE OUR FINGERPRINTS ON IT OR THE REPUBLICANS WILL KILL IT.

FRED SUGGESTED YOU CALL LIEBERMAN'S AA BILL ANDREASAN ABOUT THIS AND WHO ON SENATE LEGISLATIVE AFFAIRS MIGHT BE TO HELP OUT. HE MENTIONED SOMEONE WHO USED TO WORK ON DODD'S STAFF ON THIS ISSUE WHO IS NOW AT LEG. AFFAIRS?

THE WHITE HOUSE  
WASHINGTON

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October 3, 1994

MEMORANDUM FOR DEE DEE MYERS

FROM: Bruce Reed  
SUBJECT: Lobbying Reform Q&A

At some point in the next few days, you may get a question or two about the lobby reform bill, which passed the House on Thursday and is scheduled to come up in the Senate this week -- probably Tuesday night. (If you don't get asked about it, don't bring it up. We strongly support it, but the less we say about it, the less the Republicans will fight it.)

The lobby reform bill does two things:

1) It strengthens lobby disclosure laws so that all paid, professional lobbyists have to disclose who they work for, how much they get paid, and what they are trying to get out of government. The current law is so riddled with loopholes that most paid lobbyists don't even have to disclose their activities.

2) It imposes a tough gift ban that will prohibit lobbyists from giving members of Congress and their staffs meals, travel, or entertainment.

The bill is sponsored by Senator Carl Levin of Michigan and Rep. John Bryant of Texas. It has the strong support of Common Cause, Public Citizen, and other good-government organizations. The Administration has supported it from the outset, and the President spoke out for it again Saturday in his radio address, saying that it would help "take government out of the hands of the influence industry."

The right wing is making a last-ditch effort to defeat the bill by claiming that it will interfere with grass-roots lobbying by churches and ordinary citizens. This is simply not true: the bill's sponsors worked with the U.S. Catholic Conference and other religious groups to include a specific exemption for religious organizations. The bill will not affect ordinary citizens, only paid, professional lobbyists.

You don't have to get into all these details. The only two points that matter are:

1) This is a bipartisan bill, and that's the way it should be. The lobby reform bill and the gift ban passed the Senate the first time with 95 votes. It passed the House last week by a margin of 306-112, with the support of more than 80 Republicans.

2) It only affects paid, professional lobbyists -- not ordinary citizens. As the President said on Saturday, "it's very tough, and it will change the way Washington does business."

THE WHITE HOUSE

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coverage, cost controls, and protecting small businesses and the people who have health insurance now from losing it.

This week we're working to pass a major reform bill that Congress still has time to act on -- a bill that will go a long way toward taking government out of the hands of the influence industry. The legislation, for the first time ever, would require lobbyists to fully disclose who they work for, how much they're paid and what they're seeking to get out of government. That's not all it does. It also prevents lobbyists from buying members of Congress meals, gifts or vacations. All in all, it's very tough, and it will change the way Washington does business.

Not surprisingly, a lot of Washington's lobbyists don't like this bill very much. It takes away their special access and puts ordinary people on a more equal footing. And now, at the last minute, some are trying to defeat lobby reform with bogus arguments.

Last Thursday, the House of Representatives stood up to intense pressure and passed lobby reform by a large margin. This week, it's the Senate's turn. The lobbyists and their allies will throw up a lot of rhetoric about how this bill hurts ordinary people. Don't you believe it. It's bad news for people who use paid professional lobbyists to influence legislation and don't want you to know what they're doing. That's all it does, and that's why the Senate should pass it immediately.

I've fought for reforms like this my entire public career. When I was Governor of Arkansas, after years of trying to pass lobby reform through the legislature, I went to the people of my state, and we passed a tough bill by a popular vote. I advocated this measure when I ran for President, and I've worked for it ever since. I am confident it will become law.

There's another bill Congress should pass before it goes home. This would apply the laws Congress passes to govern the rest of America to Congress itself. That's just common sense, and it's only fair. But, believe it or not, it doesn't always hold up today. The people who make laws for the private sector should be willing to live under the laws they make. That's what this law would require.

Even these important changes, however, won't complete the task of political reform. The way we fund campaigns gives too much power to special interests and too often drowns out the voice of the people. We had a good chance to change that. But yesterday, once more, a Senate filibuster defeated campaign finance reform. I was very disappointed by this result. The campaign finance reform bill was a strong bill. It gave real reform. It would have limited spending in congressional races, curbed the political action committees, opened the airwaves to honest debate, and closed the so-called "soft money loophole" in our presidential election system.

The fight for campaign reform isn't over, either. We'll return to it next year with redoubled determination to get this job done. The American people demand it.

Since I became President, we've made real progress in turning our country around -- in getting our economic house in order, fighting crime, making government work for ordinary people. Our comprehensive economic strategy cut our deficit drastically, and for three years in a row for the first time since Mr. Truman was President. We've expanded trade with Mexico, negotiated a worldwide

trade agreement, improved the education and training of our work force. We've got 4.3 million new jobs in just 20 months, and our country's rated the most productive in the world for the first time in nine years. We've also enacted a tough crime bill. And we've begun with reinventing government -- the effort to make government work for ordinary people.

But to finish this work, we need to keep changing the way government does the people's business. Let's keep forward in the fight for political reform. We need your help on that.

Thanks very much.

END

Date: 10/01/94 Time: 08:51

For release at 10:06 a.m. EDT

WASHINGTON (AP) With storm clouds gathering over a lobbying reform bill, President Clinton today called on the Senate to pass the measure next week as a step toward "taking government out of the hands of the influence industry."

The bill that cleared the House, 306-112, Thursday expands registration requirements for paid lobbyists and requires them to disclose who they are lobbying, on what issues and how much they are paid. It also imposes a virtual ban on gifts to members of Congress.

But a network of mostly conservative interest groups is organizing to fight the bill when it hits the Senate floor next week. Opponents include the U.S. Chamber of Commerce, the National Right to Work Committee and the Christian Coalition.

The groups argue the bill would stifle their ability to carry on grassroots lobbying contacting their members to generate calls and letters to Congress on matters of interest.

But Clinton, in his weekly radio address, said the groups are "trying to defeat lobby reform with bogus arguments."

"Don't you believe it," he said. The bill is "bad news for people who use paid professional lobbyists to influence legislation, and don't want you to know what they're doing. That's all it does ..."

The president cited this year's crime bill and the failed effort to pass health care reform as reasons for reining in lobbyists. He said "the gun lobby" nearly derailed the crime bill and that interest groups spending an estimated \$300 million defeated health reform.

The measure's main Senate sponsor, Sen. Carl Levin, D-Mich., said opponents' worries about the bill are unfounded. Only paid professional lobbyists would be required to register, not unpaid volunteers or the members of grassroots organizations, he said. And religious groups are specifically exempted from the bill, Levin added.

Clinton also called for approval of a bill that would force Congress to abide by the same laws it passes for the rest of the country, mostly laws addressing workplace protection. They include civil rights, wage and hour, safety and age discrimination laws.

Senate Majority Leader George Mitchell, D-Maine, said he hoped to take up the bill next week.

APNP-10-01-94 0851EDT

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## Newt Gingrich And Rush Limbaugh Are Misinforming The American People

### Myths and Facts on the Lobbying Disclosure Act of 1994

On September 29, 1994, Newt Gingrich and other Members took to the floor of the House to denounce lobbying disclosure legislation. In their statements, they horribly distorted both the intent and effect of this bill. Rush Limbaugh took to the airwaves on the same day, spreading the same misinformation and needlessly alarming religious organizations and average citizens. Here are the facts.

**MYTH --** The bill includes a "grass roots gag rule" that will require ordinary citizens who communicate with members of Congress to register as lobbyists. For example, a staff member of the "California Desert Association" who stays for two nights in a Washington hotel and visits Members of the California delegation will have to register. (Newt Gingrich, R-GA, Cong. Rec. H 10277).

**FACT --** The only people the legislation defines as lobbyists are those who are *paid* to make "lobbying contacts" -- namely, communications with a member of Congress or his or her staff or an executive branch official. In addition, persons paid to make lobbying contacts who spend less than 10 percent of their time on lobbying activities are not considered lobbyists. Thus, volunteers or private citizens speaking their minds will never have to register, nor will an organization that uses only volunteers or members to contact Congress. A paid staff member of a state organization who makes a few trips to Washington each year to visit Members of Congress is not a lobbyist unless 10 percent of her time (more than a month a year) is spent on lobbying activities. Furthermore, an organization that employs a lobbyist, but spends less than \$5,000 in a six month period on lobbying activities, need not register at all.

**MYTH --** The bill will require people who give \$10 to the Christian Coalition to be listed on the lobbying registration and reports filed with the Government. (Dan Burton, R-IN, Cong. Rec. H 10275.)

**FACT --** If the Christian Coalition employs a paid lobbyist, it will register as an organization just like any other organization that lobbies. It will identify the person it employs as a lobbyist. It will *not* have to list its members or financial supporters. The bill specifically provides that the "client" of the paid lobbyist is the Christian Coalition as an organization, not the Coalition's members. The provision referred to by Rep. Burton only applies to individual lobbyists who register on behalf of a paying client and who are also paid by other entities to lobby on behalf of that client.

**MYTH --** Organizations must report when they communicate with their own constituents. "That is crippling the right of the citizen to be involved." (Newt Gingrich, R-GA, Cong. Rec. H10278)

**FACT --** Organizations that urge their members to contact Congress on an issue are engaged in grassroots lobbying communications under the bill. However, only if they have a paid lobbyist on their staff do they have to register. And if they register, all they have to do is make a good faith estimate (within ranges) of expenses of their grassroots communications. Organizations that have no lobbyist do not even have to register. Organizations never have to report on when they communicate with their members or the content of the communications.

**MYTH --** "The bill authorizes fines up to \$200,000 against private citizens for failing to register with the new lobbying bureaucracy created by the act. Yet a Member of Congress will not even have his or her name disclosed if he or she breaks this law." (John Doolittle, R-CA, Cong. Rec. H 10291)

**FACT --** The bill subjects lobbyists to fines of \$10,000 to \$200,000 for "major violations" of the Act. Minor violations are subject to a fine not to exceed \$10,000. There is a \$200 per week fine for late filing of a registration or report required under the act. The act specifically provides that no penalty shall be assessed unless the Director of the Office of Lobbying Registration finds that the person "knew or should have known" that they were acting in violation of the Act. Members have no obligations under the lobbying registration provisions. They are subject to sanctions from the House or Senate Ethics Committees for violation of the new gift rules. Those sanctions include the possibility of fines and even expulsion from the Congress.

**MYTH --** If a religious group "sees a moral issue before the country, they must hire a lobbyist who must divulge lots of things about the religious group involved in our political discourse." (Bob Dornan, R-CA, Cong. Rec. H10274.) The bill allows a government bureaucrat to define "religious freedom." (Newt Gingrich, R-GA, Cong. Rec. H 10278.)

**FACT --** The bill contains two exemptions that are relevant to religious organizations. First, any communication made by a church, an association of churches, or a religious order that constitutes the free exercise of religion or is for the purpose of protecting the right to the free exercise of religion is not a "lobbying contact." Therefore, even if a church has a staff member who is paid to communicate with Congress on such issues, it need not register. The final arbiter of the meaning and application of this provision, as with the entire statute, will be the federal courts, not the Director of the Office of Lobbying Disclosure. Second, even if a church is required to register, when it estimates its expenses incurred in lobbying activities, expenses for grassroots lobbying communications conducted by its own staff are exempt. The religious exemption provisions were approved by the United States Catholic Conference, the Baptist Joint Committee, and the Religious Action Center of Reform Judaism.

The only thing that a lobbyist or lobbying firm hired by a religious organization must disclose about that organization is its address and how much it has been paid for its services.

**MYTH --** The conference inserted the grassroots lobbying provisions into the bill at the last minute. (Rush Limbaugh, 9/29/94.)

**FACT --** Virtually these exact provisions have been in the bill since the subcommittee markup on November 22, 1993. No one mentioned them when the bill passed the House on March 24, 1994. Newt Gingrich did not even speak on the bill in March.

**MYTH --** Radio talk show hosts could be considered lobbyists under this bill. (Rush Limbaugh, 9/29/94.)

**FACT --** The bill's definition of lobbying contact specifically excludes any communication made through radio, TV, cable TV, or other medium of mass communication. Even if it didn't, Limbaugh expresses his views on behalf of himself, not his employer, so he would not be considered a lobbyist.

STATEMENT BY PRESIDENT WILLIAM J. CLINTON  
ON POLITICAL REFORM

The American people have made it clear that they want a change in the way Washington works. From the beginning of my administration, I have called upon Congress to enact tough political reform legislation, and significant steps have been taken. Today Congress made real progress in the effort to return government to the people. It is now time for Congress to finish the job and enact lobby reform and campaign finance reform, so that narrow interests cannot stand in the way of the national interest.

The House of Representatives took a major step toward changing the culture of the capital when it voted for lobby reform. This legislation will, for the first time, require lobbyists to fully disclose their activities, their clients, and the sources of their funding. And it will bar lobbyists from providing gifts, meals, and entertainment to lawmakers. I call on the Senate to quickly pass lobby reform and send it to my desk. We must take the political system away from the lobbyists and the narrow interests in Washington, and give it back to the American people.

I am also heartened by the agreement between House and Senate leaders on campaign finance reform legislation. This bill will limit congressional spending, curb the PACs and lobbyists, open the airwaves to debate, and ban the use of soft money in federal elections. Make no mistake: this is real reform. Tomorrow, the Senate will vote to end a filibuster and appoint conferees on this bill. I call on Senators from both parties to put aside partisanship and move forward with this legislation. There is simply no excuse for delay.

9/30/94 - 1:30pm draft

# **RADIO ADDRESS ON POLITICAL**

## **REFORM**

**October 1, 1994**

In 1994, it's clearer than ever that

Americans want a change in the way

Washington works. We have worked hard to

make sure government responds to ordinary

people, not to organized pressure groups -- to

the national interest, not narrow interests.

We've made progress, but we have more work

to do.

Since I became president, we have fought to change the culture of the capital. We imposed the toughest ethics rules ever on our own officials. We closed the tax loophole that let lobbyists deduct their activities. And our initiative to reinvent government, led by Vice President Gore, is already making government work better and cost less.

We're cutting the size of the federal  
bureaucracy to its lowest level since John F.  
Kennedy was President. And we're using  
every dime of the money we save to pay for  
tougher law enforcement.

Despite these steps forward, our political system is still too often an obstacle to change, not an instrument of progress. Here in Washington, some 80,000 paid lobbyists work to influence the government. In the last year we have seen well-organized, lavishly-funded campaigns by people protecting their narrow interests.

The gun lobby nearly derailed a crime bill strongly supported by police and prosecutors, just because it banned assault weapons from our streets. Foes of health reform spent some \$300 million to oppose change. By all accounts, this was the most intense lobbying campaign in history. But rest assured, we're not giving up our fight for health reform.

This week we are working to pass a major reform bill that will go a long way toward taking government out of the hands of the influence industry. This legislation would -- for the first time ever -- require lobbyists to fully disclose who they work for, how much they are paid, and what they are seeking to get out of government.

That's not all it does. This bill prevents lobbyists from buying Members of Congress meals; gifts, or vacations.

All in all, it is very tough -- and it will change the way Washington does business.

Not surprisingly, Washington's lobbyists don't like this bill, because it takes away their special access and puts ordinary people on an equal footing. Now, at the last minute, some are trying to defeat lobby reform. Last Thursday, the House of Representatives stood up to the pressure and passed lobby reform. This week, it's the Senate's turn.

The lobbyists and their allies will throw up a

lot of rhetoric <sup>misinfo  
& outright lies</sup> about how this bill hurts

ordinary people. Don't believe it. It's bad

news for paid, professional lobbyists -- period

-- and that's why the Senate should pass it

immediately.

I have fought for reforms like this my  
entire public career. As Governor of  
Arkansas, I went to the people of my state and  
we passed a tough lobby reform bill. I  
advocated this measure when I ran for  
President, and since. And I am confident that  
it will become law.

There is another bill that Congress should pass before it goes home. This would apply the laws that govern the rest of America to Congress itself. This is just good common sense -- and it's only fair. People who make laws for the private sector should live under the laws they make.

Even these important changes would not complete the task of political reform. The way we fund campaigns gives too much power to the special interests, and too often drowns out the voice of the people. We had a chance to change that, but yesterday, a Senate filibuster defeated campaign finance reform legislation.

I was very disappointed by this result. This was a strong bill, real reform, that would have limited spending in congressional races, curbed the political action committees, opened up the airwaves to debate, and closed the so called "soft money" loophole in our presidential election system.

The fight for campaign reform is far from over. We will return to it next year, with a redoubled determination to get this job done. The American people demand it.

Since I became President, we have made enormous progress in turning our country around. We implemented a comprehensive economic strategy, cut our budget deficit, and created 4.3 million jobs. We enacted a tough crime bill. We expanded trade with Mexico, and negotiated a worldwide trade agreement.

But to finish the work that we've begun, we need to keep changing the way government does the people's business. As we press forward with the fight for political reform, we need your help. Thank you very much.

In 1994, it's clearer than ever that Americans want a change in the way that Washington works. We have worked hard to make sure government responds to ordinary people, not to organized pressure groups -- to the national interest, not narrow interests. We've made progress, but we have more work to do.

Since I became president, we have ~~worked hard~~ <sup>fully worked</sup> to change the culture of the capital. We imposed the toughest ethics rules ever on our own officials. We closed the tax loophole that let lobbyists deduct their activities. And Vice President Gore's initiative to reinvent government <sup>is</sup> already making government work better and cost less. We're cutting the size of the federal bureaucracy to its smallest level since John F. Kennedy was President. And we're using every dime of the money we save to pay for tougher law enforcement.

Too often, our political system <sup>still</sup> remains an obstacle to change, not an instrument of progress. Here in Washington, some 80,000 paid lobbyists work to influence the government. In the last year we have ~~had to fight~~ <sup>seen</sup> against well-organized, lavishly-funded ~~special interest~~ <sup>lobby</sup> campaigns. The gun lobby nearly derailed a crime bill strongly supported by police and prosecutors across America, just because it banned assault weapons from our streets. Foes of health reform spent some \$300 million to oppose change. By all accounts, this was the most intense lobbying campaign in history. But rest assured, we're not giving up our fight for health reform.

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That's not all it does. Legislation should be decided on the merits. Lobbyists shouldn't be able to buy Members of Congress meals, gifts, or vacations. This bill bans all that. It is very tough -- and it will make a real difference.

Not surprisingly, Washington's lobbyists don't like this bill, because it takes away their special access and puts ordinary people on an equal footing. (Now, at the last minute, they are swarming Capitol Hill to try and defeat lobby reform.) Last Thursday, the House of Representatives passed lobby reform. This week, it's the Senate's turn. ~~And expect a last-minute effort to kill it.~~ The lobbyists and their allies will throw up a lot of rhetoric about how this bill hurts ordinary people. Don't believe it. It hurts paid, professional lobbyists -- period.

You know, I have fought for reforms like this my entire public career. As Governor of Arkansas, I went to the people of my state and we passed a tough lobby reform bill. I advocated this measure when I ran for President, and since. And I am confident that it will become law.

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SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS

COMMITTEE ON THE JUDICIARY

U.S. HOUSE OF REPRESENTATIVES

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FROM: David Naimon

DATE: 10/6/94 TIME: 9:35 AM

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SPECIAL INSTRUCTIONS: (3 from  
Congressional Record)



## H 10280

## CONGRESSIONAL RECORD—HOUSE

September 29, 1994

House, are wrong. This institution is not filled with Members who are, in my view, influenced by meals, travel, entertainment, or other gifts, but the fact of the matter is that a minority of this body has managed to make the public believe that something is wrong here.

Far more important than any of the perks of this office is the importance of underscoring and reinforcing public confidence in the lawmaking process. That is what we are doing with this bill today.

Based upon the statements that are repeatedly made, some by Members of this body, based upon the behavior of a tiny minority of this body, past, present, and no doubt future, as well, the American people can be forgiven for concluding that these gifts affect the process and that there is something wrong. Regardless of whether there is or there is not, we have the obligation to reinforce public confidence in this lawmaking institution, and that is what this legislation would do.

Mr. Speaker, I reserve the balance of my time.

Mr. GEKAS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I yield to the gentleman from Louisiana (Mr. LIVINGSTON).

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Madam Speaker, I rise in opposition to the bill, and in favor of the motion to recommit.

Madam Speaker, I rise to oppose the conference report on lobbying regulation just as I opposed the bill when it first passed the House.

This legislation does not represent reform in any sense of the word. Instead it constitutes more big brother central control and Orwellian denial of freedom in the name of reform and good government. Moreover the bill will not result in a more honest special-interest-free Congress, but rather it will encourage some otherwise well-intentioned Members to engage in subterfuge and obfuscation, thereby increasing the public's distrust of elected leaders, rather than alleviating their existing alienation.

I intend to scrupulously obey the law, whatever it may be. But I am concerned that in this new effort to legislate morality, we may be setting traps for Members to run afoul of technical barriers, thereby opening themselves to pious charges of ethical lapse and even criminal violation.

Far better than this strategy is to impose rigid and enforceable mandates of disclosure on Members and lobbyists, so that Members will know in advance that all activities in which they engage will be reported and made known to their constituents. Such procedure would more simply and straightforwardly put the onus on a Member's discretion and judgment, rather than binding him in a strait-jacket of rigid prohibition and inducing him to refrain from innocent contact with legitimate advocates of American interest.

I urge an "aye" vote on this motion to recommit and a "no" on the bill.

Mr. GEKAS. Madam Speaker, when we began this long journey that brought us to this very controversial day, we began with the idea of addressing the very serious problems that we had with lobbying and lobbying registration, particularly as it applied to foreign agents. The Foreign Agents Registration Act, FARA, and other lobbying requirements were arcane, were unenforceable, gave much heartache and heartburn to Members of Congress, to the proper exercise of governmental functions across the board.

□ 1450

That was our original purpose. Through a convolution of events that happened since then, this whole bill now has been wracked with attacks from the left and from the right on a various number of considerations where we now have to deal with gift bans. There is not a Member of the House, as far as I have been able to discern, who is not willing to put in writing and to keep in place a gift ban. That is good. But then when that is applied to other situations where campaign contributions are specifically exempted from this, we have the anomaly which has been touched upon by so many Members, that on one hand you cannot accept a Big Mac but on the other you can accept, specifically exempted in this language, you can exempt a big PAC. You receive a campaign contribution from the very lobbyist who cannot buy you a Big Mac to try to influence your responses on the floor of the House of Representatives. That is bad. It is good that we prohibit gifts, but it is bad that we then allow a tremendous loophole through which the biggest gift of all, money, can still be placed at the doorstep of the Member of Congress to influence him if the Member of Congress is influenceable by that. Is he influenceable by the Big Mac? That is a judgment we have to make. That is bad. The very fact that we have exempted campaign contributions, the biggest gift of all, makes the gift ban to some people laughable.

What am I going to do about it? I want to exempt gifts, to ban gifts, and I have voted that way. But also at the conference, I offered an amendment that would make campaign contributions, the biggest gift of all, as one of the banned gifts that lobbyists cannot approach Members of Congress with that big PAC, that big gift. But I was rebuffed at the conference.

What am I going to do? I am going to include that into a motion to recommit this bill with instructions to consider those kinds of gaping loopholes. The big PAC has got to be included in the next session of this conference. Where we have not specifically exempted it, we want to include it.

It is good that we have brought into this bill certain tightening up of registration and reporting requirements for the lobbyists. That is good. We have done that. And for foreign agents. That is really good. But it is bad when you

lump into that what happens to be a grassroots lobbying activity. That is bad.

We are not here to tell Members that under the explanations that were given to us that the proponents of the bill at conference feel that grassroots activities who do not have a registered lobbyist are exempt from all of the requirements of this bill. That may be correct, but at best it is ambiguous.

We have heard today from various Members of Congress about how that can militate, at least to have the appearance of militating against and chilling the effect of citizen efforts to lobby Members of Congress on their neighborhood projects. Citizens against the bomb, citizens against an incinerator, citizens against whatever are included in this prohibition, in this set of regulations, if they have a registered lobbyist. If they do not, then they are in some ambiguous, cloudy areas in which they may or may not be, depending upon how much money, time they spend, et cetera.

My motion to recommit, later, after this debate, to recommit to the conference with instructions will cover that situation. We want to make clear at the behest of all the Members who are interested not in gagging the grassroots activities, we want to have an opportunity in the conference to straighten that out, to remove the ambiguities. It is good that we have tightened up lobbying and registration and money situations and all of that for lobbyists, but it is bad if we lump into that, by inadvertence or misinterpretation, the grassroots activities that are so near and dear to the hearts of the American public and to which we have been responsive ever since the founding of the republic. That is good.

It is good that we have in the legislation some reference, some exemption, some adherence to religious organizations and organizations with religious purposes. The proponents of the bill and in conference, we think that we have covered that. But it is bad that it is not less ambiguous. We have got to straighten out that language.

So here we are. A great bona fide effort to ban gifts, and we may be banning religious organizations from proper activities at the doorstep of the Congress of the United States. We want to clean it up.

My motion to recommit, I repeat, and this is the whole essence of the debate, will include a plank in which we will try to undo the ambiguities that are circling around the religious section of this legislation.

We want to return to the conference for a whole host of reasons. These 2 primarily are the ones that force us to take this position and ask the Members of Congress to help us ban gifts but to help us clear up the language on grassroots lobbyists. To ban the lunch but do not ban the hunch of lobbyists that they can still give Members a campaign contribution. We are for banning those gifts, but let us straighten out

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ONE HUNDRED THIRD CONGRESS

## Congress of the United States

## House of Representatives

COMMITTEE ON THE JUDICIARY

2138 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20518-6216

September 28, 1994

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MAJORITY-328-3991

MINORITY-215-8808

## THE LOBBYING BILL TREATS RELIGIOUS GROUPS FAIRLY

Dear Colleague:

I was astonished to learn that Rep. Newt Gingrich and others are charging that the Lobbying Disclosure Act Conference Report, which is scheduled for a floor vote on Thursday, somehow requires people lobbying on behalf of religious organizations to register and report their expenditures, solely on the basis of their "grass roots" lobbying activities.

As a representative of the Religious Action Center wrote to me today, "Nothing could be further from the truth." Here are the facts:

1. Section 103(9)(B) of the Conference Report specifically excludes churches, their integrated auxiliaries, conventions or associations of churches, and religious orders, if they are exempt from filing Federal income tax returns, from any reporting of grass roots lobbying activities unless they hire someone outside their organization to conduct such communications. Thus, churches' communications with their members, clergymen's sermons from the pulpit, and church volunteers who contact Members of Congress are not covered by the bill at all.

2. Section 103(10)(B)(xviii) specifically excludes from the definition of "lobbying contact" communications by the types of religious organizations listed above "if the communication constitutes the free exercise of religion or is for the purpose of protecting the right to the free exercise of religion." This language is similar to that used in 12 states.

3. These provisions were approved by the United States Catholic Conference, the Baptist Joint Committee, and the Religious Action Center of Reform Judaism. For example, the Baptist Joint Committee wrote to me on March 23, 1994 that the language of the bill and the report "substantially satisfies the concerns that we have articulated to your staff."

4. The Joint Explanatory Statement of the Conference Committee specifically states, "Nothing in the conference amendment would require a person or entity to register as a lobbyist because the person or entity engages in grass roots lobbying communications, unless the person or entity also makes one or more lobbying contacts and otherwise qualifies as a 'lobbyist'." To be considered a "lobbyist", someone has to be paid, make one or more lobbying contacts, and spend 10% of their time lobbying on behalf of their organization. Even if an organization has a lobbyist who fits this definition, the

organization has a lobbyist who fits this definition, the lobbyist would not have to register if the organization spends less than \$5,000 in a six-month period on lobbying activities.

Please don't be swayed by last-minute efforts to derail this important reform initiative. I urge you to vote for the Lobbying Disclosure Act Conference Report and help improve the public's trust in this institution.

Sincerely,

A handwritten signature in cursive script that reads "John Bryant".

JOHN BRYANT

RCV BY:  
SEP-29-1994 09:59

110-6-84 : 9:42AM ;  
FROM BAPTIST JOINT COMMITTEE

CCITT 63+  
TO

2024551414:4 3  
2253673 P.02



**BAPTIST JOINT COMMITTEE**

200 MARYLAND AVENUE, N.E. WASHINGTON, D.C. 20002-5797 • 202/544-4226

J. Brent Walker  
General Counsel

September 29, 1994

The Honorable John Bryant  
United States House of Representatives  
205 CHOB  
Washington, DC 20515

Dear Mr. Bryant:

The Baptist Joint Committee serves the below-listed Baptist bodies on public policy issues surrounding religious liberty and the separation of church and state.

We have reviewed the church-state ramifications of H.R. 823, the Lobby Disclosure Act of 1994. I understand that the statutory exemptions are those reflected in my March 23, 1994 letter to you. We think that Section 103(9)(B) and Section 103(10)(B) adequately protect the free exercise rights of churches and religious organizations.

This language has been examined and approved by a number of religious organizations and their church-state experts, including from the Jewish community, mainline protestants and the United States Catholic Conference.

I am, therefore, puzzled by Mr. Gingrich' letter questioning this legislation on the basis of the effect that it would have on religious organizations. I think he is plainly wrong.

We very much appreciate your willingness to accommodate religious liberty concerns in this legislation and appreciate the cooperation of your staff.

Yours very truly,

J. Brent Walker  
General Counsel

JBW/li



## Office of Government Liaison

3211 4th Street N.E. Washington, DC 20017-1101 (202) 541-3110 FAX (202) 541-3111 TELEX 7100121

September 29, 1994

Congressman John Bryant  
United States House of Representatives  
Chairman  
Subcommittee on Administrative Law  
and Governmental Relations  
Room B351A Rayburn HOB  
Washington, D. C. 20515-6218

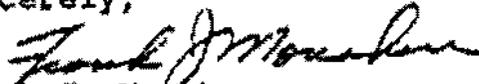
Dear Mr. Chairman:

I am writing concerning provisions (in S.349, the "Lobbying Disclosure Act of 1994", that address how certain church institutions would be affected by the lobbying registration and reporting requirements of this legislation. The United States Catholic Conference ("USCC") staff, together with our colleagues in other denominations, were given opportunities to review and discuss these provisions during consideration of this bill in your Committee.

It is our understanding that those church organizations which fit the definition contained in Sections 103(9)(B) and 103(10)(B)(xviii) of the Act will be exempt from registering and reporting any legislative activities involving communications with their own membership. Furthermore, any lobbying contacts with government officials implicating the free exercise of religion would also be exempt from these requirements. We understand that Congress intends these provision to create broad exemptions from the registration and reporting requirements of the Act for qualified church institutions.

We appreciate the opportunity to share our views with you on this important legislation.

Sincerely,

  
Frank J. Monahan  
Director

FJM:pal

# RELIGIOUS ACTION CENTER OF REFORM JUDAISM

September 28, 1994

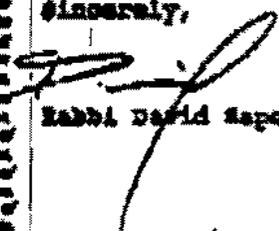
The Honorable John Bryant  
United States House of Representatives  
101 Cannon HOB  
Washington, DC 20515

Dear Representative Bryant:

On behalf of the Union of American Hebrew Congregations, representing the largest segment of American Jewry, I want to express my appreciation, once again, for your efforts in securing provisions within the Lobby Disclosure Act of 1994 that protect religious freedom for all Americans. The exemption of religious organizations from "lobbying activities" (section 103 (9) (B)) and from "lobbying contacts" (section 103 (10) (B)) appropriately protects the religious activities of religious institutions in America at both the local and national level. These exemptions were supported by the broadest range of religious denominations and faith groups, including the Jewish community, mainline protestant denominations, the Baptist Joint Public Affairs Committee, and the United States Catholic Conference.

It is therefore with astonishment that I read today Representative Newt Gingrich's letter attacking the Lobby Disclosure bill on the basis that religious organizations would have to register and report their expenditures. As the senior Jewish representative in Washington, and as an attorney who teaches church-state law at Georgetown University Law School, let me assure you that nothing could be further from the truth. The commitment that the House and Senate have shown to protecting religious freedom in this bill represents the highest values enshrined in the Constitution, and is deeply appreciated by the entire religious community.

Sincerely,

  
Rabbi David Saperstein

*The Religious Action Center  
pursues social justice and  
religious liberty by  
mobilizing the American  
Jewish community and  
acting as its advocate  
in the public square.*

2101 Massachusetts Ave., NW  
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Rabbi David Saperstein  
Executive Director

Rabbi Lynn Landman  
Executive Director

Dr. Jay Byrnes  
Chairman  
Committee on Social Action  
of the Union of  
American Hebrew Congregations

Rabbi Dr. Mark  
Gross  
Chairman  
Committee on Social Action  
of the Union of  
American Hebrew Congregations

The Religious Action Center  
is under the auspices of  
the Committee on Social  
Action of the Union of  
American Hebrew Congregations,  
a full incorporation of  
the Central Conference of  
American Rabbis and  
the Union of American  
Hebrew Congregations  
with its official  
American Conference  
of Synagogues  
Association of Reform  
Synagogues of America,  
National Association of  
Temple Administrators,  
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Reform Synagogues,  
National Federation of  
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National Association of  
Reform Synagogues  
of Temple Youth

# ROLL CALL

THE NEWSPAPER OF CAPITOL HILL

VOL. 40, NO. 26 MONDAY, OCTOBER 10, 1994 \$3.00

file  
Cobby  
Reform

## FBI Targets Three Texas Democrats In Criminal Probe of Moving Firm

By Gabriel Kahn  
Three Texas House Democrats and a top aide are being investigated by the FBI for connections to a now-defunct moving company whose president was indicted last month for illegal campaign contributions, according to

searches and documents obtained by Roll Call. The Members are Reps. Jim Chapman, Greg Laughlin, and Bill Sarpalis. Also targeted is Patrick Duncin, currently the chief of staff to Sarpalis and a former deputy chief of staff to ex-Speaker Jim Wright (D-Texas).

Also involved with the probe are Wright and former Rep. Albert Bustanante (D-Texas), who is currently appealing a three-year sentence in his conviction on charges of racketeering and using his Congressional office for personal gain. Federal authorities, who have seized thousands of records in the case, are investigating whether the Members acted improperly by misreporting honoraria for a 1990 convention in Las Vegas, accepting out-of-pocket

Continued on page 22



Photo by Christopher Martin

For reformers, it was the week that was. Even in the face of defeat, proponents of Congressional compliance put their best face on impending doom. The bill was killed in the Senate Friday. From left: Sen. Joe Lieberman, Rep. Chris Shays, and Sen. Kay Bailey Hutchison. See story, p. 14.

## It's a GOP Sweep In Killing Reform

By Alice A. Love  
The blame game began immediately after the death of lobbying reform in the Senate Friday, with angry Democrats calling the move a Republican "hoodwink" of the American people and Republicans cheering themselves as saviors of free speech.

Minority Whip Newt Gingrich (R-Ok) drew much of the ire from Democrats after aggressively lighting last-minute opposition to the measure, which would have banned gifts and imposed strict new requirements for lobbyist disclosure. "Gingrich protected the Golf Club and denied the Democrats the ability to claim any credit for reforming the Congress," said one House Democratic aide who had worked on the bill since the beginning of the 103rd Congress and saw it die last

week when Senate Republicans, using arguments borrowed from Gingrich, easily stopped two attempts at cloture.

As the dust settled, however, not all GOP Members were effusive.

Continued on page 20

## Packwood Progress?

By Glenn R. Simpson  
The Senate Ethics Committee said Friday it anticipates finally receiving the handwritten notes of Sen. Bob Packwood's (R-Or) diary "over the next several weeks" and will seek to complete its preliminary inquiry of noted misconduct allegations against the Senator by the end of the year.

Continued on page 20

### Dress to Thrill



Photo by Marvyn Kassab  
Rep. Barbara-Rose Collins stood out at the joint meeting for Nelson Mandela.

### Heard ON THE Hill

By Craig Wisniewski  
Speaker Scorecard, Conservative Democrats are pushing Rep. Charles Stenholm (D-Texas) to run for Speaker in the next Congress, but the Texas is waiting to see where the chips fall. There had been talk of his running as a "coalition Speaker" if Democrats hold a slim majority in the House. But sources say Stenholm wouldn't be able to win enough GOP votes for it. Continued on page 29

### Bank On It

Inside: A pollout policy briefing on banking and international finance.

### GAO Audited

Report finds GIAD treats Members like "customers" it wants to please. p. 8.

### Farewell, My Nemesis



Photo by Marvyn Kassab  
Senators turned out Thursday in the Russell Caucus Room to say goodbye to retiring Sen. Howard Metzenbaum, who got a hug from his good friend (and political foe) Sen. Orrin Hatch.

## Court Hears FEC Case Tuesday

By Glenn R. Simpson and Susan B. Glasser

In one of the opening moves of a Supreme Court term in which two Congressional issues ranging from term limits to redistricting are expected to take center stage, Justices this week will hear oral arguments on whether the Federal Election Commission is unconstitutional.

At issue is whether the Hill's "special deputies," who sit as non-voting commissioners on the FEC violate the separation of powers doctrine. Lawrence Noble, the general

Continued on page 28

# On Hill, Post-Mortems for Lobby Reform

Continued from page 1  
that the defeat of lobbying reform is a political victory that will help them win votes in November.

"I can't imagine it helps anybody. It certainly is not comfortable for anyone like myself who voted 'no' to have to go back home and defend myself about voting to keep freedoms, but I think we had a legitimate concern," said Rep. Bob Walker (Pa), the GOP's Chief Deputy Whip.

Walker fought strenuously against even bringing the final version of lobbying reform to a conference report brokered by Rep. John Bryant (D-Texas) and Sen. Carl Levin (D-Mich.) to the House floor.

Lobbying reform passed in the House comfortably on Sept. 29 by a vote of 206 to 112, but only after a contentious partisan debate focusing on Republican complaints that the new rules for lobbying disclosure would infringe upon the free speech rights of citizens be-

hind the compromise, saying that on such short notice they couldn't evaluate whether it actually fixed the grassroots problem and also that it didn't solve other problems they had with the disclosure portion of the bill.

"Leaving aside the grassroots portion, which this new resolution may or may not correct, there are a number of problems," said Sen. Mitch McConnell (R-Ky).

McConnell listed among these: a disparity between the penalties that would be applied to Members and lobbyists who break the new law, the provision for non-profit organizations, which is the definition of lobbying, which is substantially different from one currently used by the Internal Revenue Service to tax their lobbying activities, and the creation of a new executive bureaucracy to enforce the lobbying law.

Republicans also said the process of making the grassroots change would not be worth the trouble on the last day of the session. The concurrent resolution would have had to go back for a House vote before the Senate could proceed in a formal vote on the amended conference report.

"We're up to the challenge if we want to do it; that's what it means down us," said Levin.

But Minority Leader Bob Dole (R-Kan) was in the majority when he said "I suggest we ought to forget about this bill — we ought to forget about this Congress — and go home."

Besides leaving intact raising lobbying registration loopholes, the defeat of the reform bill leaves standing existing gift rules that allow Members to accept unlimited gifts worth less than \$100, including free professional sports or theater tickets and ground fees.

Current law also allows Members and staff to eat out for free with anyone. It allows lobbyists and others to pay for Members' trips to charity ski trips, or other recreational outings with no disclosure of cost, and to pay for the meals and lodgings of Members and their spouses on other semi-official trips that can include stays at fancy resorts or exotic locales.

In both chambers, sponsors of the legislation insisted they would press on in the next Congress, with Bryant vowing to reintroduce the measure his "first day back" in January.

The fallout from this year's failure, meantime, remains to be seen.

Democrats are insisting the failure of lobbying reform was the result of a Republican disavowal of campaign and that public outcry was misinterpreted by GOP "Axe and Tuff."

**Besides leaving intact, lobbying registration loopholes, the defeat of the bill leaves standing gift rules that allow Members to accept unlimited gifts worth less than \$100 and to eat out for free with anyone.**

techniques of exactly the type the lobbying bill seeks to shed light on.

"They play to tell voters that Republicans were out to protect their lobbyist-paid perks and cause reform gridlock in hopes of benefiting the GOP push to win a Republican majority in November."

"It's part of the Republican policy to kill all initiatives because their polls show that gridlock works in their favor," said House Chief Deputy Whip Bill Richardson (D-NM). "It collapsed because of GOP politics."

Mitchell used five minutes of his time before the first closure vote Thursday to lambast the GOP.



Photo by Shawcross Keating

Reprising Sen. Malcolm Wallop led the 14th-hour charge against the gift ban and lobbying reform bill after Rep. Newt Gingrich first rallied the troops in the House.

"They put out this huge smoke screen as a way to reenter each objection to the genuine reforms in this bill," he said, calling their objections "fictional," and a "construction of arguments for Senators [who voted for the bill] to reverse their decision."

After Friday's failed compromise and final cloture vote, the retiring Majority Leader said, "I come from Maine where we get a lot of foggy days along the coast, so when I carried the Senate, I felt at home. But in all my years I've never seen a fog so effectively pierced as this one was today. If the GOP can't want lobbying disclosure and gift reform, it's a shame."

But Republicans in both chambers were successful at convincing not only Members of their own party but also many Democrats not to back the measure.

Originally passed by the House earlier this year with bipartisan support of 315 votes and with 93 votes in the Senate, the bill foundered late in the session as GOP concerns about disclosure of some grassroots lobbying activities.

Within hours of the time Gingrich made public his concerns, phone rang and fax machines whirred on Capitol Hill as organizations like the Christian Coalition, the US Chamber of Commerce, the American Families Association, the American Civil Liberties Union, the National Rifle Association, and the National Restaurant Association swung into action.

"Talk-show hosts across the country were talking about the 'chilling effect' or 'gag' the bill would put on grassroots activities."

The bill, in fact, exempts religious communication altogether and requires only that professional lobbyists hired by grassroots organizations disclose their activities.

**Dole was in the majority when he said, 'I suggest we ought to forget about this bill — we ought to forget about this Congress — and go home.'**

longing to grassroots organizations and religious groups.

Democrats charged that opponents were really against the strict gift ban, which would have prevented Members and staff from accepting free meals, travel, and entertainment.

Last week, the pitched battle continued in the Senate, where Republicans, led by retiring Sen. Malcolm Wallop (Wyo.) not only filibustered but insisted that because the gift ban provisions would change Senate rules, closure should require a two-thirds majority vote instead of the usual three-fifths.

In the end, the Democrats couldn't even muster the 60 votes needed for a normal cloture. On Thursday morning, they had 52. On Friday it was 56, with Sens. Don Coats (R-Ind), Kent Conrad (D-NH), John Hironaka (D-Ia), John McCain (R-Ariz), and Sam Nunn (D-Ga) coming around.

Sen. Tim Wicker (D-Tenn.) facing a tough re-election challenge, chose to campaign at home rather than vote at all the first time around. He was present and voted for cloture on Friday, however.

Sens. Joe Biden (D-Del.) and Bill Bradley (D-NJ) voted for cloture Thursday but were absent Friday. Only Sen. Tom Stevens (R-Alaska) missed both cloture votes.

Wagner and Levin held a press conference after the first vote and declared the bill dead. They dismissed Republican offers to ease only the gift ban as a Senate rule, saying that without the disclosure statute's new, broader definition of lobbyist, the ban would apply to an unacceptably small number of influencers.

"We're not going to be party to a rules change that won't solve the gift problem," said Majority Leader George Mitchell (D-Maine).

Late that same evening, however, Levin, Mitchell, and the GOP sponsor of lobbying reform, Sen. Bill Cohen (Maine), took one last shot at salvaging the bill by hammering out a compromise that would have entirely cut out the provisions covering grassroots lobbying.

But that compromise floundered early Friday when Mitchell once again ran afoul of Senate rules. He couldn't even get unanimous consent to bring up the compromise resolution before Friday's final cloture vote.

During debate Friday, Republicans reject-

"We ended up with a genuine concern," said Walker, after the Senate's first cloture vote. "I suspect the people who crafted this bill are fearful of the kind of telephone campaign that have hit Capitol Hill in the last few months."

Republicans ultimately won 15 Democrats in the House vote on final passage on lobbying reform, including Ohio Rep. Jim Trafletti, who said, "I don't think that it was any real reform. Almost everybody in my district told me. There has to be some education on what lobbying is."

Democratic Sens. Jeff Bingaman (NM) and Kent Conrad (ND), both up for re-election this year, jumped on the Republican bandwagon too, by voting against the first cloture attempt Thursday, though Conrad switched to vote with his party Friday.

By late last week, even as the Senate was taking the cloture votes that ultimately killed lobbying reform for this session, there were several signs its defeat could backfire on the GOP.

Ross Perot's grassroots political organization United We Stand America came out in favor of the bill, in spite of the fact that Perot has said he believes the American people should return a GOP majority to Congress next year.

And the Ralph Nader group Public Citizen said in a press release: "Stare on the cynics and abstractionists who have been fighting the bill. They must be held accountable, beginning with Rep. Gingrich and Sens. Stromboli for their campaign to misinform the public."

The lobbying reform bill, had it passed, would have banned such free recreational travel.

SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS

COMMITTEE ON THE JUDICIARY  
U.S. HOUSE OF REPRESENTATIVES

Voice: (202) 225-5741  
FAX: (202) 225-3673

FAX COVER SHEET

TO:

Name:

Bruce Reed

Office:

Fax Tel:

456-7431

Phone:

FROM:

David Naimon

DATE:

TIME:

NUMBER OF PAGES (including this cover sheet):

3

SPECIAL INSTRUCTIONS:

# Common Cause

2030 M STREET, NW • WASHINGTON, D.C. 20036-3380 • PHONE: (202) 833-1200 • FAX: (202) 659-3716

EDWARD S. CAROT  
*Chairman*

FRED WERTHEIMER  
*President*

ARCHIBALD COX  
*Chairman Emeritus*

JOHN W. CLINTON  
*Founding Chairman*

July 29, 1994

Dear )

In a June 28, 1994 letter, Common Cause urged you, as a conferee on the lobby disclosure/gift ban legislation, to incorporate into the final conference agreement the gift ban provisions of S. 1935, and thereby close serious loopholes in the gift ban provisions of S. 349 as passed by the House.

We are writing to further express our views on two important issues facing conferees. First, we strongly urge you to drop the provisions in the House-passed measure which would fundamentally undermine 18 U.S.C. §201, the criminal statute prohibiting illegal gratuities. Second, we urge you to adopt S. 1935's prohibition on contributions from lobbyists to the legal defense funds of federal officials, to charitable foundations maintained or controlled by Members, and to charities in lieu of honoraria.

## **Undermining the Illegal Gratuities Statute**

The criminal statute prohibiting illegal gratuities for Members of Congress and other public officials has played a critical role in protecting against violations of the public trust. The provision in the House-passed bill, if enacted, could severely impair this important anti-corruption criminal statute as it applies to Members of Congress.

The current illegal gratuity statute prohibits federal officials from accepting gifts for or because of any official act. The provision in the House version of S. 349 provides, in effect, that conduct authorized by a congressional ethics committee would be exempt from prosecution under the illegal gratuities statute.

This would permit each House of Congress, through its congressional ethics committee, to change or rewrite the criminal gratuities law without going through the requirements for enacting a statute. It would create a situation where congressional ethics committees could "authorize" acts that would otherwise violate federal criminal statutes and thereby "immunize" Members from the gratuities statute.

There is no justification for placing in the hands of Members of Congress the ability to interpret and rewrite a federal criminal statute as it applies to Members of Congress.

**Lobbyists' Contributions to Federal Officials' Legal Defense Funds, to Charitable Foundations Controlled by Members, and to Charities in Lieu of Honoraria**

The Senate gift ban bill prohibits lobbyists from contributing to the legal defense funds of federal officials, to charitable foundations maintained or controlled by Members, and to charities in lieu of honoraria.

The Senate provision would ensure that lobbyists -- who are in the business of trying to influence government decisions -- are not in a position to provide financial benefits to government officials through these contributions. This issue was recently highlighted by the decision of President Clinton and his legal defense fund to accept contributions from lobbyists. Members of Congress also accept contributions from lobbyists for their legal defense funds.

We strongly urge you to incorporate the Senate ban on contributions from lobbyists to legal defense funds, to foundations controlled by Members, and to charities in lieu of honoraria into the final conference agreement.

Sincerely,

A handwritten signature in black ink that reads "Fred Wertheimer". The signature is written in a cursive style and is followed by a horizontal line extending to the right.

Fred Wertheimer  
President

July 27, 1994

MEMORANDUM FOR LEON PANETTA

FROM: BRUCE REED  
SUBJECT: Lobbying Reform Update

The House and Senate remain at loggerheads over how to resolve the gift provisions in their respective lobbying reform bills. The lead sponsors, John Bryant and Carl Levin, are meeting with the leadership this afternoon to discuss whether and when to go to conference.

Both houses are in agreement on issues related to lobbying disclosure. The House and Senate bills would triple the number of lobbyists required to register, and require them to disclose their lobbying efforts and expenses every six months. The measures would set up an independent agency to enforce the law and publish regular reports on lobbyist activity.

The House and Senate are deeply divided, however, on how far to go in restricting gifts to members, their spouses, and congressional employees. The Senate passed a strict ban on meals, travel, and entertainment paid for by lobbyists. The only significant exceptions are for legitimate speaking engagements (not ski trips), and gifts on the basis of personal friendship that lobbyists pay for out of their own pocket (but such gifts would have to be disclosed). The House ban allows broader exceptions: Meals and entertainment are prohibited if paid for by a lobbyist, but not if paid for by a lobbyist's client; recreational trips are allowed; and gifts on the basis of personal friendship do not have to be disclosed.

The Senate is taking a hard line on the gift provisions. Levin argues that there is no point in Congress doing political reform if groups like Common Cause are not going to give them credit for it. The House might be willing to move in the Senate's direction -- for example, by banning the golf trips -- but there is great resistance to going too far.

Both sides have advised us that the Administration should not get involved in the gift provisions, which are such a personal and institutional issue for many members. They agree that the best thing we can do to advance lobbying reform is to speak out on the urgency of political reform generally.

*File  
Lobbying  
Reform*

*7 PAGES*

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503

May 13, 1994

LEGISLATIVE REFERRAL MEMORANDUM

LRM #I-2706

TO: Legislative Liaison Officer -

JUSTICE - Sheila F. Anthony - (202)514-2141 - 217  
STATE - Julia C. Norton - (202)647-4463 - 225  
OPM - James N. Woodruff - (202)606-1424 - 331  
OGE - Jane Ley - (202)523-5377 - 261

FROM: JAMES J. JUKES (for) *JJ*  
Assistant Director for Legislative Reference

OMB CONTACT: Ingrid SCHROEDER (395-3883)  
Secretary's line (for simple responses): 395-3454

SUBJECT: OMB Request for Views RE: S 1935, Prohibition  
of Lobbyists' Gifts to Legislative Branch  
officials

DEADLINE: COB May 18, 1994

COMMENTS: Attached is S. 1935 as passed by the Senate. Please note that the bill was amended to include a section (Sec. 5) on post-employment restrictions, and a section (Sec. 13) that expresses the sense of the Senate that the crime bill conferees should reject the House version's "Racial Justice Act" provisions.

OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Please advise us if this item will affect direct spending or receipts for purposes of the the "Pay-as-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

CC:

Jim Duke  
Harry Meyers  
Adrien Silas  
Ray Kogut  
Jeff Hill  
Barbara Kahlow  
Richard Loeb  
Jack Quinn

Donsia Strong  
Jose Corda  
Michael Waldman  
Karen Mancos  
Todd Campbell  
Beth Nolan  
Melissa Cook  
*Mac Reel (sec. 5)*

**RESPONSE TO LEGISLATIVE REFERRAL MEMORANDUM**

If your response to this request for views is simple (e.g., concur/no comment), we prefer that you respond by faxing us this response sheet. If the response is simple and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a secretary.

You may also respond by (1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); (2) sending us a memo or letter; or (3) if you are an OASIS user in the Executive Office of the President, sending an E-mail message. Please include the LRM number shown above, and the subject shown below.

TO: Ingrid SCHROEDER  
 Office of Management and Budget  
 Fax Number: (202) 395-3109  
 Analyst/Attorney's Direct Number: (202) 395-3883  
 Branch-Wide Line (to reach secretary): (202) 395-3454

FROM: \_\_\_\_\_ (Date)  
 \_\_\_\_\_ (Name)  
 \_\_\_\_\_ (Agency)  
 \_\_\_\_\_ (Telephone)

SUBJECT: OMB Request for Views RE: S 1935, Prohibition of Lobbyists' Gifts to Legislative Branch Officials

The following is the response of our agency to your request for views on the above-captioned subject:

\_\_\_\_\_ Concur  
 \_\_\_\_\_ No objection  
 \_\_\_\_\_ No comment  
 \_\_\_\_\_ See proposed edits on pages \_\_\_\_\_  
 \_\_\_\_\_ Other: \_\_\_\_\_  
 \_\_\_\_\_ FAX RETURN of \_\_\_\_\_ pages, attached to this response sheet

85532

CONGRESSIONAL RECORD — SENATE

May 11, 1994

to Senator LEVIN's request for comments, and shared my concerns about how vague legislative language could hinder legitimate and essential communications, or discourage Members and staff from volunteering time to charities. Both of those issues concern me deeply. I want to publicly commend Senator Levin for his efforts to draft specific language to allow for attendance at meaningful symposiums and events with constituents and advocates to discuss legislative issues and exchange ideas.

Senator LEVIN's colloquy with Senators Dole and Simpson has helped clarify some key points for Members and staff working with charitable organizations which is appreciated. I take enormous pride in my work for charities like the Children's Health Project, which uses mobile vans to provide health care to needy children in New York City, rural West Virginia, and other areas. I believe it is good for Members to serve on bipartisan, non-profit boards like the Alliance for Health Care Reform. Now, it will be more difficult to be involved in such activities, and that disturbs me. As someone from a family with a strong tradition of philanthropy, I feel deeply that volunteer work for charities should be encouraged—not discouraged and questioned.

But today, I must vote either for the Levin Congressional Gifts Reform Act, or vote against reform. The American public has spoken clearly about their cynicism and their desire for reform. In the spirit of compromise and in the hope that continuous efforts will be made to clarify and improve this reform proposal, in conference, I will vote for the Levin legislation.

The PRESIDING OFFICER. Under the previous order, the committee substitute, as amended, is agreed to.

Mr. LEVIN. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will read the bill for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is on passage of the bill, as amended.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. SHELLEY] is absent because of illness.

The result was announced—yeas 98, nays 4, as follows:

(Rollcall Vote No. 107 Lev.)

YEAS—98

Alaska: Murkowski  
Alabama: Ford  
Alaska: Murkowski  
Arizona: Kyl  
Arkansas: Hutchinson  
California: Feinstein  
Colorado: Romo  
Connecticut: Lieberman  
Delaware: Coons  
Florida: Fowler  
Georgia: Rothman  
Hawaii: Akaka  
Idaho: Crapo  
Illinois: Durbin  
Indiana: Lugar  
Iowa: Hironaka  
Kansas: Brownback  
Kentucky: Yoho  
Louisiana: Landry  
Maine: Bradley  
Maryland: Bayh  
Massachusetts: Kennedy  
Michigan: Stabenow  
Minnesota: Franken  
Mississippi: Wicker  
Missouri: Blunt  
Montana: Rock  
Nebraska: Johnson  
Nevada: Schott  
New Hampshire: Durkin  
New Jersey: Cravens  
New Mexico: Heinrich  
New York: Gillibrand  
North Carolina: Thayer  
North Dakota: Hoeven  
Ohio: Brown  
Oklahoma: Coburn  
Oregon: Wyden  
Pennsylvania: Roth  
Rhode Island: Chafee  
South Carolina: Sumners  
South Dakota: Brown  
Tennessee: Blackburn  
Texas: Cornyn  
Utah: Hatch  
Vermont: Harkin  
Virginia: Warner  
Washington: Murray  
West Virginia: Manchin  
Wisconsin: Kohl  
Wyoming: Voinovich

Green: Schumer  
Idaho: Crapo  
Illinois: Durbin  
Indiana: Lugar  
Iowa: Hironaka  
Kansas: Brownback  
Kentucky: Yoho  
Louisiana: Landry  
Maine: Bradley  
Maryland: Bayh  
Massachusetts: Kennedy  
Michigan: Stabenow  
Minnesota: Franken  
Mississippi: Wicker  
Missouri: Blunt  
Montana: Rock  
Nebraska: Johnson  
Nevada: Schott  
New Hampshire: Durkin  
New Jersey: Cravens  
New Mexico: Heinrich  
New York: Gillibrand  
North Carolina: Thayer  
North Dakota: Hoeven  
Ohio: Brown  
Oklahoma: Coburn  
Oregon: Wyden  
Pennsylvania: Roth  
Rhode Island: Chafee  
South Carolina: Sumners  
South Dakota: Brown  
Tennessee: Blackburn  
Texas: Cornyn  
Utah: Hatch  
Vermont: Harkin  
Virginia: Warner  
Washington: Murray  
West Virginia: Manchin  
Wisconsin: Kohl  
Wyoming: Voinovich

NAYS—4

NOT VOTING—1

So the bill (S. 1836), as amended, was passed, as follows:

S. 1836

As 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 "Congressional Gifts Reform Act".

SEC. 2. AMENDMENT TO THE SENATE RULES.

Rule XXXV of the standing Rules of the Senate is amended to read as follows:

"RULE XXXV

"GIFTS

1. (a) No Member, officer, or employee of the Senate, or the spouse thereof, shall knowingly accept—

(1) any gift provided directly or indirectly by any person registered as a lobbyist or a foreign agent under the Federal Regulation of Lobbying Act, the Foreign Agent Registration Act, or any successor statute;

(2) Any gift from any other person.

(b) For the purpose of this rule, the term "gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

(c)(1) The restrictions in subparagraph (a) shall apply to any financial contribution or expenditure relating to a conference, retreat, or similar event for or on behalf of Members, officers, or employees.

(2) The following items are subject to the restrictions in subparagraph (a)(1)—

(A) an item provided by a lobbyist or a foreign agent which is paid for, charged to, or reimbursed by a sponsor or firm of such lobbyist or foreign agent;

(B) an item provided by a lobbyist or a foreign agent to an entity that is maintained or controlled by a Member, officer, or employee;

(C) a charitable contribution made on the basis of a designation, recommendation, or other specification made to a lobbyist or a foreign agent by a Member, officer, or employee (not including a mass mailing or other solicitation directed to a broad category of the general public);

(D) a contribution or other payment by a lobbyist or foreign agent to a legal expense

fund established for the benefit of a Member, officer, or employee;

(E) a charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a lobbyist or a foreign agent in lieu of an honorarium; and

(F) a contribution, as defined in the Federal Campaign Act of 1971 (3 U.S.C. 431 et seq.) that is made by a lobbyist, foreign agent, or Political Action Committee to a Member.

(3) The following items are not gifts subject to the restrictions in subparagraph (a):

(1) Any item for which the Member, officer, or employee pays the market value.

(2) A contribution, as defined in the Federal Election Campaign Act of 1971 (3 U.S.C. 431 et seq.) that is lawfully made under that Act except as provided in subparagraph (a)(2)(F).

(3) Anything provided under circumstances that clearly indicate, in accordance with paragraph 2(a), that it is provided for a nonbusiness purpose and is motivated by a family relationship or personal friendship and not by the position of the Member, officer, or employee (subject to prior approval by the Ethics Committee in the case of a gift to a Member, officer, or employee in excess of \$250 that is provided on the basis of personal friendship and disclosure under the Ethics in Government Act of a gift to a spouse of a Member in excess of \$250 that is provided on the basis of personal friendship).

(4) Items which are not used and which are promptly returned to the donor.

(5) A food or refreshment item of minimal value, such as a soft drink, coffee, or doughnut offered other than as part of a meal.

(6) Benefits resulting from the business, employment, or other outside activities of the spouse of a Member, officer, or employee. If such benefits are customarily provided to others in similar circumstances.

(7) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

(8) Informational materials that are sent to the office of the Member, officer, or employee in the form of books, articles, periodicals, other written materials, audio tapes, videotapes, or other forms of communication.

(9) The restrictions in clauses (c) and (d) of subparagraph (a) shall not apply to the following:

(1) Meals, lodging, and other benefits—

(A) resulting from the outside business or employment activities of the Member, officer, or employee for other outside activities that are not connected to the duties of the Member, officer, or employee as an officeholder, if such benefits have not been offered or enhanced because of the official position of the Member, officer, or employee and are customarily provided to others in similar circumstances; or

(B) customarily provided by a prospective employer in connection with bona fide employment discussions.

(2) Awards or prizes which are given to competitors in contests or events open to the public, including random drawings.

(3) Honorary degrees and other bona fide awards presented in recognition of public service and available to the general public (and associated meals and entertainment provided to the presentation of such degrees and awards).

(4) Donations of products from the State that the Member represents that are intended primarily for promotional purposes, such as display or free distribution, and are of minimal value to any individual recipient.

(5) Meals and entertainment provided to a Member or an employee of a Member in the Member's home State, subject to reasonable

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limitations to be established by the Committee on Rules and Administration.

(5) Food and attendance provisions at an event sponsored by a political organization described in section 507(c) of the Internal Revenue Code of 1986.

(7) Training provided to a Member, officer, or employee, if such training is in the interest of the Senate.

(8) Inquests, inquisitions, and other transfers at death.

(9) Any item, the receipt of which is authorized by the Foreign Gifts and Donations Act, the Mutual Education and Cultural Exchange Act, or any other statute.

(10) Anything which is paid for by the Government or secured by the Government under a Government contract.

(11) A gift of personal hospitality of an individual, as defined in section 1027(1) of the Ethics in Government Act.

(12) Free attendance at an event permitted pursuant to paragraph 2D.

(13) Opportunities and benefits which are

(A) available to the public or to a class consisting of all Federal employees, whether or not restricted on the basis of geographic consideration;

(B) offered to members of a group or class in which membership is unrelated to congressional employment;

(C) offered to members of an organization, such as an employees' association or congressional credit union, in which membership is related to congressional employment and similar opportunities are available to large segments of the public through organizations of similar size;

(D) offered to any group or class that is not defined in a manner that specifically discriminates among Government employees on the basis of branch of Government or type of responsibility, or on a basis that favors those of higher rank or rate of pay;

(E) in the form of loans from banks and other financial institutions on terms generally available to the public; or

(F) in the form of reduced membership or other fees for participation in organization activities offered to all Government employees by professional organizations if the only restrictions on membership relate to professional qualifications.

(14) A plaque, trophy, or other memento of modest value.

(15) An item for which, in an unusual case, a waiver is granted by the Select Committee on Ethics.

(b) (X)(1) In determining if the giving of an item is motivated by a family relationship or personal friendship, at least the following factors shall be considered:

(A) The history of the relationship between the individual giving the item and the individual receiving the item, including whether or not items have previously been exchanged by such individuals.

(B) Whether the item was purchased by the individual who gave the item.

(C) Whether the individual who gave the item also at the same time gave the same or similar item to other Members, officers, or employees.

(D) The giving of an item shall not be considered to be motivated by a family relationship or personal friendship if the individual providing the item—

(A) seeks to deduct the value of such item as a business expense on the individual's Federal tax return; or

(B) accepts direct or indirect reimbursement or compensation for the item from a client or a firm of which the individual is a member or employee.

(C) For purposes of clause (D), indirect reimbursement or compensation for an item is defined as expenditure from an expense ac-

count and a fee charged by a lobbyist for the purpose of compensating the lobbyist for the cost of the item.

(b)(1) Except as prohibited by paragraph 1(A)(1), a Member, officer, or employee may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, reception, or similar event, provided by the sponsor of the event, if—

(A) the Member, officer, or employee participates in the event as a speaker or a panel participant, by presenting information relevant to Congress or matters before Congress, or by performing a ceremonial function appropriate to his or her official position; or

(B) attendance of the event is appropriate to the performance of the official duties of the Member, officer, or employee.

(2) A Member, officer, or employee who attends an event described in clause (1) of this subparagraph may accept—

(A) a sponsor's unsolicited offer of free attendance at the event for an accompanying spouse if either is attendance will generally be accompanied by spouse or if such attendance is appropriate to assist in the representation of the Member; and

(B) transportation and lodging in connection with the event if authorized in accordance with paragraph 2.

(3) Except as prohibited by paragraph 1(A)(1), a Member, officer, or employee, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event in which the Member, officer, or employee is a participant. Reimbursement for transportation and lodging may not be accepted in connection with the event.

(4) For purposes of this paragraph, the term "free attendance" may include waiver of all or part of a conference or other fee or the provision of food, refreshment, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, or meals taken other than in a group setting with all or substantially all other attendees.

(5) For the purpose of this rule—

(A) The term "agent" means any person who employs or retains a lobbyist or a foreign agent to appear or work on each year's behalf.

(B) The term "market value", when applied to a gift means the retail cost a person would incur to purchase the gift. The market value of a gift of a ticket entitling the holder to food, refreshment, or entertainment is the retail cost of similar food, refreshments, or entertainment.

(C) When it is not practicable to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity, shared within the recipient's office, or destroyed.

(d) (X)(1) Except as prohibited by paragraph 1(A)(1), a reimbursement (including payment in kind) to a Member, officer, or employee for necessary transportation, lodging, and related expenses for travel to a business, speaking engagement, factfinding trip or similar event in connection with the duties of the Member, officer, or employee as an officeholder shall be deemed to be a reimbursement to the Senate and not a gift prohibited by paragraph 1, if the Member, officer, or employee receives advance authorization to accept reimbursement and discloses the expenses reimbursed or to be reimbursed and the authorization through the Secretary of the Senate as soon as practicable after the travel is completed.

(2) Events, the activities of which are substantially recreational in nature, shall not be considered to be in connection with the

duties of a Member, officer, or employee as an officeholder.

(b) Each advance authorization to accept reimbursement shall be signed by the appropriate Member (or, in the case of an employee of a committee, the appropriate committee chairman) and shall include—

(1) the name of the Member, officer, or employee;

(2) the name of the person who will make the reimbursement;

(3) the time, place, and purpose of the travel; and

(4) a determination that the travel is in connection with the duties of the Member, officer, or employee as an officeholder and would not create the appearance that the Member, officer, or employee is using public office for private gain.

(c) Each disclosure of expenses reimbursed or to be reimbursed shall be signed by the appropriate Member (or, in the case of an employee of a committee, the appropriate committee chairman) and shall include—

(1) total transportation expenses reimbursed or to be reimbursed;

(2) total lodging expenses reimbursed or to be reimbursed;

(3) disclosure of any other expenses reimbursed or to be reimbursed (with the exception of any items that may properly be accepted pursuant to paragraphs 1 and 2); and

(4) a determination that all such expenses are necessary transportation, lodging, and related expenses as defined in this paragraph.

(c) For the purposes of this paragraph, the term "necessary transportation, lodging, and related expenses"—

(1) includes reasonable expenses that are necessary for travel for a period that may not exceed 3 days exclusive of traveltime within the United States or 1 day exclusive of traveltime outside of the United States unless approved in advance by the Ethics Committee;

(2) is limited to expenditures for transportation, lodging, conference fees and materials, and meals offered to all attendees as an integral part of the event, including reimbursement for necessary transportation, whether or not such transportation occurs within the periods described in clause 1; and

(3) does not include expenditures for recreational activities, or entertainment other than that provided to all attendees as an integral part of the event.

(d) The Secretary of the Senate shall—

(1) make available to the public all advance authorization and disclosure of reimbursement filed pursuant to subparagraph (a) as soon as possible after they are filed; and

(2) publish an annual report summarizing (by Member, officer, or employee) travel expenses that are reimbursed pursuant to this paragraph and aggregate more than \$50 from any one source.

(e) Notwithstanding any other provision of this rule, a Member, officer, or employee of the Senate may participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization if such participation is not in violation of any law and if the appropriate Member or committee chairman has determined that participation in such program is in the interests of the Senate and the United States.

(f) Any Member who accepts an invitation to participate in any such program shall notify the Secretary of the Senate in writing of his acceptance. A Member shall also notify the Secretary in writing whenever he has permitted any officer or employee when

be supervised within the meaning of paragraph 11 of rule XXXVII) to participate in any such program. The Secretary shall place in the Congressional Record a list of all individuals participating; the supervisors of such individuals, where applicable; and the nature and itinerary of each program. No Member, officer, or employee may accept funds in connection with participation in a program permitted under subparagraph (a) if such funds are not used for necessary food, lodging, transportation, and related expenses of the Member, officer, or employee.

3. The Committee on Rules and Administration is authorized to adjust the \$50 gift limit established in paragraph 1 on a periodic basis, to the extent necessary to adjust for inflation.

**SEC. 4. AMENDMENT TO THE HOUSE RULES.**

Clause 4 of rule XLIII of the Rules of the House of Representatives is amended to read as follows:

4. (a)(1) No Member, officer, or employee of the House of Representatives, or the spouse thereof, shall knowingly accept—

(A) any gift provided directly or indirectly by a person registered as a lobbyist or a foreign agent under the Federal Regulation of Lobbying Act, the Foreign Agents Registration Act, or any successor statute;

(B) any gift from any other person.

(C) For the purpose of this clause, the term "gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, writing, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

(3)(A) The restrictions in subparagraph (a) shall apply to any financial contribution or expenditure relating to a conference, retreat, or similar event for or on behalf of Members, officers, or employees.

(B) The following items are subject to the restrictions in subparagraph (1)(A)—

(i) an item provided by a lobbyist or a foreign agent which is paid for, charged to, or reimbursed by a client or firm of such lobbyist or foreign agent;

(ii) an item provided by a lobbyist or a foreign agent to an entity that is maintained or controlled by a Member, officer, or employee;

(iii) a charitable contribution made on the basis of a designation, recommendation, or other specification made to a lobbyist or a foreign agent by a Member, officer, or employee (not including a mass mailing or other solicitation directed to a broad category of the general public);

(iv) a contribution or other payment by a lobbyist or foreign agent to a legal expense fund established for the benefit of a Member, officer, or employee; and

(v) a contribution, as defined in the Federal Campaign Act of 1971 (5 U.S.C. 431 et seq.) that is made by a lobbyist, foreign agent, or Political Action Committee, to a Member; and

(vi) a charitable contribution (as defined in section 170(e) of the Internal Revenue Code of 1986) made by a lobbyist or a foreign agent in lieu of an honorarium.

(4) The following items are not gifts subject to the restrictions in subparagraph (1):

(A) Any item for which the Member, officer, or employee pays the market value.

(B) A contribution, as defined in the Federal Election Campaign Act of 1971 (5 U.S.C. 431 et seq.) that is lawfully made under that Act except as provided in subparagraph (3)(B)(v).

(C) Anything provided under circumstances that clearly indicate, in accordance with paragraph (b)(1), that it is pro-

vided for a nonbusiness purpose and is motivated by a family relationship or personal friendship and not by the position of the Member, officer, or employee (subject to prior approval by the Committee on Standards of Official Conduct in the case of a gift to a Member, officer, or employee in excess of \$50 that is provided on the basis of personal friendship and disclosure under the Ethics in Government Act of a gift to a spouse of a Member in excess of \$50 that is provided on the basis of personal friendship).

(D) Items which are not used and which are promptly returned to the donor.

(E) A food or refreshment item of minimal value, such as a soft drink, coffee, or doughnut, offered other than as part of a meal.

(F) Benefits resulting from the business, employment, or other outside activities of the spouse of a Member, officer, or employee, if such benefits are customarily provided to others in similar circumstances.

(G) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

(H) Informational materials that are sent to the office of the Member, officer, or employee in the form of books, articles, periodicals, other written materials, audio tapes, videotapes, or other forms of communication.

(I) The restrictions in clauses (B) and (C) of subparagraph (1) shall not apply to the following:

(A) Meals, lodging, and other benefits—

(i) resulting from the outside business or employment activities of the Member, officer, or employee (or other outside activities that are not connected to the duties of the Member, officer, or employee as an officeholder, if such benefits have not been offered or enhanced because of the official position of the Member, officer, or employee and are customarily provided to others in similar circumstances); or

(ii) customarily provided by a prospective employer in connection with bona fide employment discussions.

(B) Awards or prizes which are given to competitors in contests or events open to the public, including random drawings.

(C) Honorary degrees and other bona fide awards presented in recognition of public service and available to the general public (and associated meals and entertainment provided in the presentation of such degrees and awards).

(D) Donations of products from the State that the Member represents that are intended primarily for promotional purposes, such as display or free distribution, and are of minimal value to any individual recipient.

(E) Meals and entertainment provided to a Member or an employee of a Member at the Member's home while having, subject to reasonable limitations, to be established by the Committee on Standards of Official Conduct.

(F) Food and attendance provided at an event sponsored by a political organization described in section 477(e) of the Internal Revenue Code of 1986.

(G) Training provided to a Member, officer, or employee, if such training is in the interest of the House of Representatives.

(H) Bequests, inheritances, and other transfers at death.

(I) Any item, the receipt of which is authorized by the Foreign Gifts and Declarations Act, the Mutual Education and Cultural Exchange Act, or any other statute.

(J) Anything which is paid for by the Government or secured by the Government under a Government contract.

(K) A gift of personal hospitality of an individual, as defined in section 10116 of the Ethics in Government Act.

(L) Free attendance at an event permitted pursuant to paragraph (b)(1).

(M) Opportunities and benefits which are—

(i) available to the public or to a class including all Federal employees, whether or not restricted on the basis of geographic considerations;

(ii) offered to members of a group of class in which membership is unrestricted to congressional employment;

(iii) offered to members of an organization, such as an employees' association or congressional credit union, in which membership is related to congressional employment and similar opportunities are available to large segments of the public through organizations of similar size;

(iv) offered to any group or class that is not defined in a manner that specifically discriminates among Government employees on the basis of branch of Government or type of responsibility, or on a basis that favors those of higher rank or rate of pay;

(v) in the form of loans from banks and other financial institutions on terms generally available to the public; or

(vi) in the form of reduced membership or other fees for participation in organization activities offered to all Government employees by professional organizations if the only restrictions on membership relate to professional qualifications.

(N) A plaque, trophy, or other memento of modest value.

(O) An item for which, in an unusual case, a waiver is granted by the Committee on Standards of Official Conduct.

(3)(A) In determining if the giving of an item is motivated by a family relationship or personal friendship, at least the following factors shall be considered:

(i) The history of the relationship between the individual giving the item and the individual receiving the item, including whether or not items have previously been exchanged by such individuals.

(ii) Whether the item was purchased by the individual who gave the item.

(iii) Whether the individual who gave the item also at the same time gave the same or similar item to other Members, officers, or employees.

(B) The giving of an item shall not be considered to be motivated by a family relationship or personal friendship if the individual providing the item—

(i) seeks to deduct the value of such item as a business expense on the individual's income tax return; or

(ii) accepts direct or indirect reimbursement or compensation for the item from a client or a firm of which the individual is a Member or employee.

(C) For purposes of clause (B), indirect reimbursement or compensation for an item includes an expenditure from an expense account and a fee charged by a lobbyist for the purpose of compensating the lobbyist for the cost of the item.

(3)(A) Except as prohibited by paragraph (3)(A), a Member, officer, or employee may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, reception, or similar event, provided by the sponsor of the event if—

(i) the Member, officer, or employee participates in the event as a speaker or a panel participant, by presenting information related to Congress or matters before Congress, or by performing a ceremonial function appropriate to his or her official position; or

(ii) attendance of the event is appropriate to the performance of the official duties of the Member, officer, or employee.

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"(D) A Member, officer, or employee who attends an event described in clause (A) of this subparagraph may accept—

"(1) a sponsor's unsolicited offer of free attendance at the event for an accompanying spouse if others in attendance will generally be accompanied by spouses or if such attendance is appropriate to assist in the representation of the House of Representatives; and

"(2) transportation and lodging in connection with the event if authorized in accordance with paragraph (c).

"(C) Except as prohibited by paragraph (A)(1)(A), a Member, officer, or employee, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event in which the Member, officer, or employee is a participant. Reimbursement for transportation and lodging may not be accepted in connection with the event.

"(D) For purposes of this paragraph, the term 'free attendance' may include waiver of all or part of a conference or other fee or the provision of food, refreshment, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, or meals taken other than in a group setting with all or substantially all other attendees.

"(E) For the purpose of this clause—

"(A) The term 'oldest' means any person who employs or retains a lobbyist or a foreign agent to appear or work on such person's behalf.

"(B) The term 'market value', when applied to a gift means the retail cost a person would incur to purchase the gift. The market value of a gift of a ticket entitling the holder to food, refreshment, or entertainment is the retail cost of similar food, refreshments, or entertainment.

"(4) When it is not practical to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity, placed within the recipient's office, or destroyed.

"(X)(1)(A) Except as prohibited by paragraph (X)(1)(A), a reimbursement (including payment in kind) to a Member, officer, or employee for necessary transportation, lodging and related expenses for travel to a meeting, speaking engagement, facilitating trip or similar event in connection with the duties of the Member, officer, or employee as an officeholder shall be deemed to be a reimbursement to the House of Representatives and not a gift prohibited by paragraph (a), if the Member, officer, or employee receives advance authorization to accept reimbursement and discloses the expense reimbursed or to be reimbursed and the authorization through the Clerk of the House of Representatives as soon as practicable after the travel is completed.

"(B) Events, the activities of which are substantially recreational in nature, shall not be considered to be in connection with the duties of a Member, officer, or employee as an officeholder.

"(C) Each advance authorization to accept reimbursement shall be signed by the appropriate Member (or, in the case of an employee of a committee, the appropriate committee chairman) and shall include—

"(A) the name of the Member, officer, or employee;

"(B) the name of the person who will make the reimbursement;

"(C) the time, place, and purpose of the travel; and

"(D) a determination that the travel is in connection with the duties of the Member, officer, or employee as an officeholder and would not create the appearance that the Member, officer, or employee is using public office for private gain.

"(E) Each disclosure of expense reimbursed or to be reimbursed shall be signed by the appropriate Member (or, in the case of an employee of a committee, the appropriate committee chairman) and shall include—

"(A) total transportation expenses reimbursed or to be reimbursed;

"(B) total lodging expenses reimbursed or to be reimbursed;

"(C) disclosure of any other expense reimbursed or to be reimbursed (with the exception of any items that may properly be accepted pursuant to clauses (a) and (b)); and

"(D) a determination that all such expenses are necessary transportation, lodging, and related expenses as defined in this paragraph.

"(4) For the purposes of this paragraph, the term 'necessary transportation, lodging, and related expenses'—

"(A) includes reasonable expenses that are necessary for travel for a period that may not exceed 5 days exclusive of travel time within the United States or 7 days exclusive of travel time outside of the United States unless approved in advance by the Committee on Standards of Official Conduct;

"(B) is limited to expenditures for transportation, lodging, conference fees and materials, and meals offered to all attendees as an integral part of the event, including reimbursement for necessary transportation, whether or not such transportation occurs within the periods described in clause (1); and

"(C) does not include expenditures for recreational activities, or entertainment other than that provided to all attendees as an integral part of the event.

"(5) The Clerk of the House of Representatives shall—

"(A) make available to the public all advance authorizations and disclosures of reimbursement filed pursuant to subparagraph (1) as soon as possible after they are filed; and

"(B) publish an annual report summarizing (by Member, officer, or employee) travel expenses that are reimbursed pursuant to this paragraph and aggregate more than \$250 from any one source.

"(X)(1) Notwithstanding any other provision of this clause, a Member, officer, or employee of the House of Representatives may participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization if such participation is not in violation of any law and if the appropriate Member or committee chairman has determined that participation in such program is in the interests of the House of Representatives and the United States.

"(2) Any Member who accepts an invitation to participate in any such program shall notify the Clerk of the House of Representatives in writing of his acceptance. A Member shall also notify the Clerk in writing whenever he has permitted any officer or employee whom he supervises to participate in any such program. The Clerk shall place in the Congressional Record a list of all individuals participating; the supervisors of such individuals, where applicable; and the nature and itinerary of such program.

"(3) No Member, officer, or employee may accept funds in connection with participation in a program permitted under subparagraph (a) if such funds are not used for necessary food, lodging, transportation, and related expenses of the Member, officer, or employee.

"(4) The Committee on Standards of Official Conduct is authorized to adjust the \$250 gift limit established in paragraph (a) on a periodic basis, to the extent necessary to adjust for inflation."

BILL A AMENDMENT TO THE ETHICS IN GOVERNMENT ACT.

Section 102(x)(2)(A) of the Ethics in Government Act (5 U.S.C. App. 6, section 102) is amended by—

(1) inserting a dash after "and the value of";

(2) striking "all gifts aggregating" and inserting the following:

"(i) all gifts aggregating";

(3) striking the period at the end of the subparagraph and inserting "and"; and

(4) adding at the end the following:

"(ii) all gifts, other than food, lodging, or entertainment received as personal hospitality of an individual, having a value of \$20 or more that are—

"(1) provided by a person required to register under the Federal Regulation of Lobbying Act, the Foreign Agents Registration Act, or any successor Act; and

"(2) would be prohibited by section 7353 of title 5, United States Code, but for a personal friendship exception contained in implementing rules and regulations issued pursuant to its subsection (b)(1) of such section."

SEC. 6. POST-EMPLOYMENT REFORM ACT OF 1994.

(a) SHORT TITLE.—This section may be cited as the "Post-Employment Reform Act of 1994".

(b) FORMER AGENCY LAW.—

(1) EXECUTIVE AGENCY.—Section 507(c)(1) of title 18, United States Code, is amended by striking "within 1 year after" and inserting "within 5 years after".

(2) CONGRESS.—Section 507(e) of title 18, United States Code, is amended in paragraphs (1)(A), (3)(A), (3), (4)(A), and (5)(A), by striking "within 1 year after" and inserting "within 1 years after".

(3) CONFORMING AMENDMENT RELATING TO PAY LEVELS.—(A) Section 507(c)(3)(ii) of title 18, United States Code, is amended by striking "the rate of basic pay payable for level V of the Executive Schedule" and inserting "130 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule".

(B) Section 507(c)(6) of title 18, United States Code, is amended—

(i) in subparagraph (A) by striking "which is 75 percent of the basic rate of pay payable for a Member of the House of Congress in which such employee was employed" and inserting "which is 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule"; and

(ii) in subparagraph (E) by striking "payable for level V of the Executive Schedule" and inserting "which is 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule".

(c) FOREIGN SERVICE LAW.—Section 507(f) of title 18, United States Code, is amended—

(1) in paragraph (1) by striking "within 1 year" and inserting "within 2 years";

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2) and inserting in such paragraph before the period the following: "or a corporation, partnership, or other nongovernment entity which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States".

(d) RESTRICTIONS ON VARY SOURCE REVENUE.—Section 507(g)(1) of title 18, United States Code, is amended by striking "within 1 year" and inserting "within 2 years".

(e) TRADE AND TREATY NEGOTIATION BAR.—Section 507(h)(1) of title 18, United States Code, is amended by striking "for a period of 1 year" and inserting "for a period of 10 years".

(f) EFFECTIVE DATE.—This section shall be effective after January 1, 1994.

85638

CONGRESSIONAL RECORD—SENATE

May 11, 1994

SEC. 4. PROHIBITION ON CONTRIBUTIONS TO RACIAL JUSTICE FUNDS.

No person registered as a lobbyist or a foreign agent may make a contribution or other payment to a legal expense fund established for the benefit of an officer or employee of the executive branch.

SEC. 5. REPEAL OF OBSCURE PROVISIONS.

Section 601 of the Ethics Reform Act of 1989 (5 U.S.C. 31-8) is repealed.

SEC. 6. PROHIBITION ON LOBBYING.

No person registered as a lobbyist or a foreign agent under the Federal Regulation of Lobbying Act, the Foreign Agents Registration Act, or any analogous statute shall provide a gift to any Member, officer, or employee of the Senate or the House of Representatives, or a spouse or dependent of the Member, officer, or employee, if the lobbyist or foreign agent knows that the acceptance of the gift by the Member, officer, employee, spouse, or dependent would violate Rule XXV of the Standing Rules of the Senate or clause 4 of Rule XLIII of the Rules of the House of Representatives.

SEC. 7. EXERCISE OF CONGRESSIONAL RULEMAKING POWER.

Except for sections 4, 6, and 8, this Act is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and accordingly, they shall be considered as part of the rules of each House, respectively, or of the House to which they specifically apply, and such rules shall supersede older rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (insofar as they relate to that House) at any time and in the same manner and to the same extent as in the case of any other rule of that House.

SEC. 10. OFFICE.

The Senate Committee on Rules and Administration, on behalf of the Senate, may accept gifts provided they do not involve any duty, burden, or condition, or are not made dependent upon some future performance by the United States. The Committee on Rules and Administration is authorized to promulgate regulations to carry out this section.

SEC. 11. LEGAL EXPENSE FUNDS.

No provision of this Act shall be interpreted to limit a contribution or other payment to a legal expense fund established for the benefit of a Member, officer, or employee by any person other than a lobbyist or a foreign agent.

SEC. 12. MEALS AND ENTERTAINMENT.

The rules on acceptance of meals and entertainment provided to a Member or an employee of a Member in the Member's home State prior to the adoption of reasonable limitations by the appropriate committee shall be the rules in effect on the day before the effective date of this Act.

SEC. 13. SENSE OF THE SENATE.

It is the sense of the Senate that the conference on committee crime legislation should totally reject the so-called Racial Justice Act provisions contained in the crime bill passed by the House of Representatives on April 23, 1994.

SEC. 14. EFFECTIVE DATES.

This Act and the amendments made by this Act shall become effective on January 1, 1995.

The title was amended so as to read: "A bill to limit the acceptance of gifts, meals, and travel by Members of Congress and congressional staff, and for other purposes."

Mr. WELLSTONE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL ENVIRONMENTAL TECHNOLOGY ACT OF 1994

The PRESIDING OFFICER. Under the previous order, the committee amendments, as amended, is agreed to, the bill is to be read for the third time, and the question is on the passage of S. 978, as amended.

The clerk will read the bill for the third time.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HATCH. Mr. President, I rise today to offer a few comments on one of the sections of the bill before us, S. 978, the National Environmental Technology Act of 1994.

First, let me congratulate Senator H. VOHL, chairman of the Environment and Public Works Committee, and Senator CHAPIN, ranking member on the committee, for their work on this bill. They have achieved a consensus on the many provisions within the bill to the degree that we are poised to adopt this legislation in the new few days. They were willing to consider amending the bill with language that I had proposed, and I appreciate their willingness to make modifications to the bill based on that language.

I am pleased that the substitute bill makes changes in the original version of S. 978, most notably in title IV, subtitle A—"Verification of Environmental Technologies." This provision establishes a framework for encouraging the development and introduction of new and innovative technologies in the private sector, which I believe will have a very positive effect on our environment and economy.

As I mentioned, the changes to title IV are a definite improvement over the original bill. With the substitute bill, the committee is providing direction to the Environmental Protection Agency (EPA) to ensure that, as the agency moves toward setting technology standards based on performance, the actual verification and evaluation of these technologies will be conducted in the private sector or by other non-Federal entities. This bill does provide for qualifying EPA laboratories to participate in verifying technologies as well. But, the key component of this future system, and the reason for my earlier suggestion, is to open the EPA verification and evaluation processes to as many eligible non-Federal entities as possible. In this manner, private sector involvement is encouraged and expansion of the EPA's bureaucracy discouraged.

I am pleased this concept of outside consultation between the EPA and the private sector also encourage private

companies to be involved in the development and marketing of new and innovative environmental products. Section 201 contains language identifying those organizations, including academic institutions and nonprofit groups.

It is important that the EPA carefully and formally solicit input from the analytical instrumentation industry, as well as other components of the environmental monitoring industry. In my view, this latter industry, which supplies environmental monitoring equipment to laboratories, is already heavily regulated, which has often hindered the introduction of new environmental monitoring technologies and products. Obtaining input from those involved in this industry should help prevent further regulatory burden from being created in the future.

Such prevention is important since over the last twenty years the EPA's system of regulating analytical instruments used in environmental technology has developed into a highly detailed set of instructions for the chemist or lab technician to follow. Today, these technicians must follow these cookbook-like directions to provide assurance to their customers that the results of their analyses pass EPA muster. In most cases, a different method, or recipe, as it were, is needed for each class of chemical substances, which has developed into a proliferation of highly specific EPA directions on how to conduct a certain type of chemical analysis. And, if a technology comes along that can do this analysis better and faster, it cannot be utilized because the product or type equipment is not specified in the EPA directions. Since most laboratories are not willing to risk losing a customer's business when that customer is only interested in complying with EPA regulations, these labs will not pursue new technologies. After all, if the testing regulations effectively prevent their use, what good are they? I believe it would be very counterproductive to continue to constrain the introduction of new and innovative technologies in this way.

I understand the EPA has been aware of these problems created by the current methods-based approach to developing environmental monitoring equipment. For the past 7 years, the agency has been exploring the possibility of moving toward a performance-based system. One of the reasons this has taken so long is the complexity of the transition, especially when questions as to the quantity and quality of data to be required under a new performance system remain unanswered.

Because of the complexity of transitioning from a methods-based approach for the environmental monitoring industry to a performance-based system, and since this industry is one of the few environmental technology industries that is currently regulated, I believe it is vital that the industry have the opportunity for direct input to the EPA during the development of

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503

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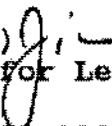
April 14, 1994

LEGISLATIVE REFERRAL MEMORANDUM

LRM #I-2478

TO: Legislative Liaison Officer -

HUD - Edward J. Murphy, Jr. - (202)708-1793 - 215  
JUSTICE - Sheila F. Anthony - (202)514-2141 - 217  
TRANSPORTATION - Tom Herlihy - (202)366-4687 - 226  
TREASURY - Richard S. Carro - (202)622-1146 - 228  
OGE - Jane Ley - (202)523-5377 - 261

FROM: JAMES J. JUKES (for)   
Assistant Director for Legislative Reference

OMB CONTACT: Ingrid SCHROEDER (395-3883)  
Secretary's Line (for simple responses): 395-3454

SUBJECT: OMB Request for Views RE: S 349, Lobbying  
Disclosure Act of 1993

DEADLINE: 4PM April 21, 1994

COMMENTS: ~~Attached is a copy of the House passed version of S.~~  
349, Lobbying Disclosure. The House companion bill was H.R.  
823.

OMB requests the views of your agency on the above subject before  
advising on its relationship to the program of the President, in  
accordance with OMB Circular A-19.

Please advise us if this item will affect direct spending or  
receipts for purposes of the the "Pay-As-You-Go" provisions of  
Title XIII of the Omnibus Budget Reconciliation Act of 1990.

CC:

Donsia Strong  
Jack Quinn  
Bob Damus  
Richard Loeb  
Adrien Silas  
Harry Myers  
Karen Hancox  
Sally Katzen  
Jeff Hill  
Al Burman  
Ken Schwartz  
Barbara Kahlow



Lobbying Disclosure Act of 1993.

Special typefaces used in this bill version:

// \ Italic

/! \ Bold Italic

Item Key: 11076

IN THE HOUSE OF REPRESENTATIVES, U. S.,

March 24, 1994.

Resolved, That the bill from the Senate (S. 349) entitled "An Act to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes", do pass with the following

AMENDMENT:

Strike out all after the enacting clause, and insert:

**//SECTION 1. SHORT TITLE.!\**

**//This Act may be cited as the "Lobbying Disclosure Act of 1994".\**

**//SEC. 2. FINDINGS.!\**

**//The Congress finds that--\**

**//(1) responsible representative Government requires public awareness of the efforts of paid lobbyists to influence the public decision making process in both the legislative and executive branches of the Federal Government;\**

**//(2) existing lobbying disclosure statutes have been ineffective because of unclear statutory language, weak administrative and enforcement provisions, and an absence of clear guidance as to who is required to register and what they are required to disclose; and \**

**//(3) the effective public disclosure of the identity and extent of the efforts of paid lobbyists to influence Federal officials in the conduct of Government actions will increase**

public confidence in the integrity of Government. \\\

**\\SEC. 3. DEFINITIONS.\\**

**\\As used in this Act:\\**

**\\(1) AGENCY.--**The term "agency" has the meaning given that term in section 551(1) of title 5, United States Code.\\

**\\(2) CLIENT.--**The term "client" means any person or entity (including a State or local government) who employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity or another person or entity. An organization whose employees act as lobbyists on its own behalf is both a client and an employer of such employees. In the case of any person or entity that employs or retains a lobbyist to conduct lobbying activities on behalf of another person or entity, the client is both the person or entity that employs or retains the lobbyist and the person or entity on whose behalf the lobbyist conducts lobbying activities. In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is--\\

**\\(A)** the coalition or association and not its individual members when the lobbying activities are conducted on behalf of its membership and financed by the coalition's or association's dues and assessments, or\\

**\\(B)** the individual member or members, when the lobbying activities are, directly or indirectly, financed separately by one or more individual members and not by the coalition's or association's dues and assessments.\\

**\\(3) COVERED EXECUTIVE BRANCH OFFICIAL.--**The term "covered executive branch official" means--\\

**\\(A)** the President or the President-elect;\\

**\\(B)** the Vice President or the Vice President-elect;\\

**\\(C)** any officer or employee (other than a clerical or secretarial employee) of the Executive Office of the President or any individual functioning in the capacity of such an officer or employee on an unpaid basis;\\

**\\(D)** any officer or employee serving in a position in level I, II, III, IV, or V of the Executive Schedule, as designated by statute or executive order;\\

**\\(E)** any officer or employee serving in a Senior Executive Service position, as defined in section 3132 (a)(2) of title 5, United States Code;\\

**\\(F)** any member of the uniformed services whose pay

grade is at or above O-7 under section 201 of title 37, United States Code; and\

/(G) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character described in section 7511(b)(2) of title 5, United States Code, including an employee listed in schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations.\

/(4) COVERED LEGISLATIVE BRANCH OFFICIAL.--\

/(A) IN GENERAL.--The term "covered legislative branch official" means--\

/(i) a Member of Congress or a Member-elect of Congress;\

/(ii) an elected officer of either House of Congress;\

/(iii) any employee of a Member of Congress or of a committee of either House of Congress; \

/(iv) any employee on the leadership staff of the House of Representatives and any employee on the leadership staff of the Senate; \

/(v) any employee of a joint committee of the Congress; and\

/(vi) any employee of a working group or caucus organized to provide legislative services or other assistance to Members of Congress.\

/(B) DEFINITIONS.--For purposes of subparagraph (A)--\

/(i) the terms "employee on the leadership staff of the House of Representatives" and "employee on the leadership staff of the Senate" have the meanings given these terms in section 207(e)(4) of title 18, United States Code;\

/(ii) the term "employee" includes any individual functioning in the capacity of an employee described in subparagraph (A) on an unpaid basis but the term does not include a clerical or secretarial employee, and\

/(iii) the term "Member of Congress" means a Senator or a Representative in, or Delegate or Resident Commissioner, to the Congress.\

/(5) DIRECTOR.--The term "Director" means the Director of the Office of Lobbying Registration and Public Disclosure.\

/(6) EMPLOYEE.--Except as provided in paragraph (4)(B)(ii), the term "employee" means any individual who is an officer, employee, partner, director, or proprietor of an organization, but does not include--\

**//(A) independent contractors; or\\**

**//(B) volunteers who receive no financial or other compensation from the organization for their services.\\**

**//(7) FOREIGN ENTITY.**--The term "foreign entity" means a foreign principal as such term is defined in subsection (b) of section 1 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 (b)).\\

**//(8) GRASS ROOTS LOBBYING COMMUNICATIONS.**--The term "grass roots lobbying communications" means--\\

**//(A) any communication that attempts to influence any legislation through an attempt to affect the opinions of the general public or any segment thereof;\\**

**//(B) any communication between an organization and any bona fide member of such organization to directly encourage such member to make a communication to a covered executive branch official or a covered legislative branch official with regard to a matter described in clause (i), (ii), (iii), or (iv) of paragraph (10)(A) of section 3; and\\**

**//(C) any communication between an organization and any bona fide member of such organization to directly encourage such member to urge persons other than members to communicate as provided in either subparagraph (A) or subparagraph (B).\\**

**//(9) LOBBYING ACTIVITIES.**--\\

**//(A) DEFINITION.**--The term "lobbying activities" means lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended at the time it is performed, for use in contacts, and coordination with the lobbying activities of others. Except as provided in subparagraph (B), lobbying activities also include--\\

**//(i) grass roots lobbying communications, and\\**

**//(ii) any communication described in clause (iii), (v), (vii), (viii), or (xvi) of paragraph (10)(B),\\**

**//to the extent that such communications are made in support of a lobbying contact.\\**

**//(B) RELIGIOUS ORGANIZATIONS.**--Lobbying activities do not include grass roots lobbying communications by churches, their integrated auxiliaries, conventions or associations of churches, and religious orders that are exempt from filing Federal income tax returns under paragraph (2)(A)(i) or (2)(A)(iii) of section 6033(a) of the Internal Revenue Code of 1986, unless such communications are made by any person or organization required to be identified under section

4(b)(5) of this Act.\\

//(10) LOBBYING CONTACT.--\\

//(A) DEFINITION.--The term "lobbying contact" means any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to--\\

//(i) the formulation, modification, or adoption of Federal legislation (including legislative proposals); \\

//(ii) the formulation, modification, or adoption of a Federal regulation, Executive order, or any other program, policy, or position of the United States Government;\\

//(iii) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license), except that this clause does not include communications that are made to any covered executive branch official--\\

//(I) who is serving in a Senior Executive Service position described in paragraph (3)(E), or\\

//(II) who is a member of the uniformed services whose pay grade is lower than O-9 under section 201 of title 37, United States Code,\\

//in the agency responsible for taking such administrative or executive action; or\\

//(iv) the nomination or confirmation of a person for a position subject to confirmation by the Senate.\\

//(B) EXCEPTIONS.--The term "lobbying contact" does not include communications that are--\\

//(i) made by public officials acting in their official capacity; \\

//(ii) made by representatives of a media organization if the purpose of the communication is gathering and disseminating news and information to the public;\\

//(iii) made in a speech, article, publication, or other material which is widely distributed to the public through radio, television, cable television, or other medium of mass communication; \\

//(iv) made on behalf of a government of a foreign country or a foreign political party and disclosed under the Foreign Agents Registration Act of 1938 (22 U.S.C.

611 et seq.); \

//(v) requests for meetings, requests for the status of matters described in clauses (i), (ii), (iii), and (iv) of subparagraph (A), or other similar requests, if the requests do not include attempts to influence a covered executive branch official or a covered legislative branch official; \

//(vi) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act; \

//(vii) testimony given before a committee, subcommittee, or task force of the Congress, or submitted for inclusion in the public record of a hearing conducted by such committee, subcommittee, or task force; \

//(viii) information provided in writing in response to a written request for specific information from a covered executive branch official or a covered legislative branch official; \

//(ix) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of the Congress or an agency; \

//(x) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publication soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications; \

//(xi) not possible to report without disclosing information, the unauthorized disclosure of which is prohibited by law; \

//(xii) made to officials in an agency with regard to--\

//(I) a judicial proceeding or a criminal or civil law enforcement inquiry, investigation, or proceeding, or \

//(II) a filing or proceeding that the Government is specifically required by statute or regulation to maintain or conduct on a confidential basis, \

//if that agency is charged with responsibility for such proceeding, inquiry, investigation, or filing; \

//(xiii) made in compliance with written agency procedures regarding an adjudication conducted by the

agency under section 554 of title 5, United States Code, or substantially similar provisions;\

/(xiv) written comments filed in the course of a public proceeding or other communications that are made on the record in a public proceeding;\

/(xv) a petition for agency action made in writing pursuant to established agency procedures;\

/(xvi) made on behalf of an individual with regard to that individual's benefits, employment, or other personal matters involving only that individual, except that this subclause does not apply to any communication with respect to the formulation, modification, or adoption of private legislation for the relief of that individual;\

/(xvii) disclosures by an individual to the appropriate authority on account of which that individual is protected against adverse personnel actions, or other reprisals, under the amendments made by the Whistleblower Protection Act of 1989, the Inspector General Act of 1978, or other provision of law;\

/(xviii) made by a church, its integrated auxiliary, a convention or association of churches, or a religious order that is exempt from filing a Federal income tax return under paragraph (2)(A)(i) or (2)(A)(iii) of section 6033(a) of the Internal Revenue Code of 1986 if the communication constitutes the free exercise of religion or is for the purpose of protecting the right to the free exercise of religion; and\

/(xix) between--\

/(I) officials of a self-regulatory organization recognized by Federal law, and\

/(II) the Federal regulatory agency with jurisdiction over such organization,\

//relating to the regulatory responsibilities of such organization under such law.\

//The term "media organization", as used in clause (ii), means an organization engaged in disseminating information to the general public through a newspaper, magazine, other publication, radio, television, cable television, or other medium of mass communication.\

/(11) LOBBYIST.--The term "lobbyist" means any individual who is employed or retained by a client for financial or other compensation for services that include one or more lobbying

contacts, other than an individual whose lobbying activities constitute less than 10 percent of the time engaged in the services provided by such individual to that client.\\

//(12) ORGANIZATION. --The term "organization" means any corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, or group of organizations.\\

//(13) PUBLIC OFFICIAL. --The term "public official" means any elected official, appointed official, or an employee of--\\

//(A) a Federal, State, or local unit of government in the United States other than--\\

//(i) a college or university which is an agency or instrumentality of the government of any State or of a local unit of government thereof, or which is owned or operated by such a government or by any agency or instrumentality of one or more such governments;\\

//(ii) a government-sponsored enterprise as defined in section 3(8) of the Congressional Budget and Impoundment Control Act of 1974; or\\

//(iii) a public utility, including any entity that provides gas, electricity, water, or communications, which is an agency or instrumentality of the government of any State or States or of a local unit of government of a State or which is owned, controlled, or operated by such a government or by any agency or instrumentality of one or more such governments;\\

//(B) a Government corporation (as defined in section 9101 of title 31, United States Code);\\

//(C) an organization of State or local elected or appointed officials other than officials of an entity described in clause (i), (ii), or (iii) of subparagraph (A);\\

//(D) an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)),\\

//(E) a national or State political party or any organizational unit thereof, or \\

//(F) a national, regional, or local unit of any foreign government.\\

//(14) The term "State" means each of the several States, the District of Columbia, and any commonwealth territory, or possession of the United States.\\

#### //SEC. 4. REGISTRATION OF LOBBYISTS. \\

**//(a) REGISTRATION.--\\**

**//(1) GENERAL RULE.--**Not later than 30 days after a lobbyist first makes a lobbying contact or is employed or retained to make a lobbying contact, whichever is earlier, such lobbyist (or, as provided under paragraph (2), the organization employing such lobbyist), shall register with the Office of Lobbying Registration and Public Disclosure.\\

**//(2) ORGANIZATION RULE.--**Any organization that has one or more employees who are lobbyists shall make the registration required by paragraph (1) on behalf of such employees.\\

**//(3) EXEMPTION.--\\**

**//(A) GENERAL RULE.--**Notwithstanding paragraph (1) or (2), an individual or organization whose--\\

**//(i)** total income for matters related to lobbying activities on behalf of a particular client (in the case of a lobbyist making lobbying contacts on behalf of a client other than the organization employing such lobbyist), or \\

**//(ii)** total expenses in connection with lobbying activities (in the case of a lobbyist making lobbying contacts on behalf of the organization employing such lobbyist),\\

**//do not exceed, or are not expected to exceed \$2,500** (as estimated under section 5) in the semiannual period described in section 5(a) during which the registration would be made is not required to register under subsection (a) with respect to such client.\\

**//(B) ADJUSTMENT.--**The \$2,500 figure in subparagraph (A) shall be adjusted--\\

**//(i)** on January 1, 1997, to reflect changes in the Consumer Price Index (as determined by the Secretary of Labor) since the date of the enactment of this Act, and\\

**//(ii)** on January 1 of each fourth year occurring after January 1, 1997, to reflect changes in the Consumer Price Index (as determined by the Secretary of Labor) during the preceding 4-year period, \\

**//rounded to the nearest \$100.\\**

**//(b) CONTENTS OF REGISTRATION.--**Each registration under this section shall be in such form as the Director shall prescribe by regulation and shall contain--\\

**//(1)** the name, address, business telephone number, and principal place of business of the registrant, and a general

description of its business or activities;\

/(2) the name, address, and principal place of business of the registrant's client, and a general description of its business or activities (if different from paragraph (1));\

/(3) the name, address, and principal place of business of any organization, other than the client, that--\

/(A) contributes or has agreed to contribute more than \$5,000 toward the lobbying activities of the registrant in the semiannual period described in section 5(a) in which the registration is made; and\

/(B) significantly participates or has agreed to participate significantly in the planning, supervision, or control of such lobbying activities;\

/(4) the name, address, principal place of business, amount of any contribution of more than \$5,000 to the lobbying activities of the registrant, and approximate percentage of equitable ownership in the client (if any) of any foreign entity that--\

/(A) holds at least 20 percent equitable ownership in the client or any organization identified under paragraph (3);\

/(B) directly or indirectly, in whole or in major part, plans, supervises, controls, directs, finances, or subsidizes the lobbying activities of the registrant; or\

/(C) is an affiliate of the client or any organization identified under paragraph (3) and has a direct interest in the outcome of the lobbying activity;\

/(5) the name, address, and principal place of business of any person or organization retained by the registrant (other than an employee of the registrant) to conduct grass roots lobbying communications on behalf of the registrant or the client of the registrant (other than a person or organization that is separately registered under this Act in connection with such representation);\

/(6) a statement of--\

/(A) the general issue areas in which the registrant expects to engage in lobbying activities on behalf of the client, and\

/(B) to the extent practicable, specific issues that have (as of the date of the registration) already been addressed or are likely to be addressed in lobbying activities; and\

/(7) the name of each employee of the registrant who has acted or whom the registrant expects to act as a lobbyist on

behalf of the client and, if any such employee has served as a covered executive branch official or a covered legislative branch official in the 2 years before the date on which such employee was first required to register as a lobbyist on behalf of the client, the position in which such employee served.\

**//(c) GUIDELINES FOR REGISTRATION.--\**

**//(1) MULTIPLE CLIENTS.--**In the case of a registrant making lobbying contacts on behalf of more than one client, a separate registration under this section shall be filed for each such client.\

**//(2) MULTIPLE LOBBYISTS.--**Any organization that has one or more employees who are lobbyists shall file a single registration under this section for each client on whose behalf its employees act as lobbyists covering all lobbying contacts made by such employees on behalf of such client.\

**//(3) MULTIPLE CONTACTS.--**If a registrant makes another lobbying contact for the same client with a covered executive branch official or covered legislative branch official, such contact will not require another registration under paragraph (1).\

**//(d) TERMINATION OF REGISTRATION.--**A registrant who after registration does not--\

**//(1)** engage in any lobbying activities in a semiannual reporting period on behalf of the client with respect to which the registrant registered, and\

**//(2)** anticipate any additional lobbying activities for such client in the 12-month period following such reporting period,\

**//shall** notify the Director of the termination of such activities and shall not be required to file any additional reports with respect to such client under this section.\

**//SEC. 5. REPORTS BY REGISTERED LOBBYISTS.\**

**//(a) SEMIANNUAL REPORT.--\**

**//(1) IN GENERAL.--**No later than 30 days after the end of the semiannual period beginning on the first day of each January and the first day of July of each year in which a registrant is registered under section 4, each registrant shall file a report with the Office of Lobbying Registration and Public Disclosure on its lobbying activities during such semiannual period. A

separate report shall be filed for each client of the registrant.\

**//(2) EXEMPTION.--\**

**//(A) INCOME OR EXPENSES OF LESS THAN \$2,500.--Any registrant whose--\**

**//(i) total income for a particular client for matters that are related to lobbying activities on behalf of that client (in the case of a registrant described in subsection (b)(3)), or\**

**//(ii) total expenses in connection with lobbying activities (in the case of a registrant described in subsection (b)(4)),\**

**//are less than \$2,500 in a semiannual period (as estimated under paragraph (3) or (4) of subsection (b), or paragraph (3) of subsection (c), as applicable) is deemed to be inactive during such period and may comply with the reporting requirements of this section by so notifying the Director in such form as the Director may prescribe.\**

**//(B) ADJUSTMENT.--The \$2,500 figure in subparagraph (A) shall be adjusted as provided in section 4(a)(3)(B).\**

**//(b) CONTENTS OF REPORT.--Each semiannual report filed under subsection (a) shall be in such form as the Director shall prescribe by regulation and shall contain--\**

**//(1) the name of the registrant, the name of the client, and any changes or updates to the information provided in the initial registration;\**

**//(2) for each general issue area in which the registrant engaged in lobbying activities on behalf of the client during the semiannual filing period--\**

**//(A) a list of the specific issues upon which the registrant engaged in lobbying activities, including, to the maximum extent practicable, a list of bill numbers and references to specific regulatory actions, programs, projects, contracts, grants, and loans;\**

**//(B) a statement of the Houses and committees of Congress and the Federal agencies contacted by lobbyists employed by the registrant on behalf of the client during the semiannual filing period;\**

**//(C) a list of the employees of the registrant who acted as lobbyists on behalf of the client;\**

**//(D) a description of the interest in the specific issues, if any, of any foreign entity identified under section 4(b)(4); and\**

//(E) a list of the specific issues on which any person or organization required to be identified under section 4(b)(5) has engaged in grassroots lobbying communications on behalf of the client;\

//(3) in the case of a registrant engaged in lobbying activities on behalf of a client other than the registrant, a good faith estimate of the total amount of all income from the client (including any payments to the registrant by any other person for lobbying activities on behalf of the client) during the semiannual period, other than income for matters that are unrelated to lobbying activities;\

//(4) in the case of a registrant engaged in lobbying activities on its own behalf, a good faith estimate of the total expenses that the registrant and its employees incurred in connection with lobbying activities during the semiannual filing period; and\

//(5) a good faith estimate of the total expenses that the registrant and its employees incurred in connection with grassroots lobbying communications on behalf of the client (including any amount paid in connection with such communications to a person or organization required to be identified under section 4(b)(5)).\

//(c) ESTIMATES OF INCOME OR EXPENSES.--For purposes of this section, estimates of income or expenses shall be made as follows:\

//(1) \$200,000 OR LESS.--Income or expenses of \$200,000 or less shall be estimated in accordance with the following categories:\

//(A) At least \$2,500 but not more than \$10,000.\

//(B) More than \$10,000 but not more than \$20,000.\

//(C) More than \$20,000 but not more than \$50,000.\

//(D) More than \$50,000 but not more than \$100,000.\

//(E) More than \$100,000 but not more than \$200,000. \

//(2) MORE THAN \$200,000.--Income or expenses in excess of \$200,000 shall be estimated and rounded to the nearest \$100,000.\

//(3) ESTIMATES BASED ON TAX REPORTING SYSTEM.--In the case of any registrant that reports lobbying expenditures as required by section 6033 of the Internal Revenue Code of 1986, regulations prescribed under section 7 of this Act shall provide that the registrant may make a good faith estimate of amounts that would be required to be disclosed under such section of the Internal Revenue Code of 1986 for the applicable semiannual period (by category of dollar value) to meet the requirements of

subsection (b)(4), if each time the registrant makes such an estimate, the registrant informs the Director that the registrant is making such an estimate.\\

//(4) CONSTRUCTION.--In estimating total income or expenses under this section, a registrant is not required to include--\\

//(A) the value of contributed services for which no payment is made; or\\

//(B) the expenses for services provided by an independent contractor of the registrant who is separately registered under this Act.\\

//(d) CONTACTS.--\\

//(1) CONTACTS CONSIDERED CONTACTS WITH COMMITTEES.--For purposes of subsection (b)(2), any contact with a member of a committee of Congress, an employee of a committee of Congress, or an employee of a member of a committee of Congress regarding a matter within the jurisdiction of such committee shall be considered a contact with the committee.\\

//(2) CONTACTS CONSIDERED CONTACTS WITH HOUSE OF CONGRESS.--For purposes of subsection (b)(2), any contact with a Member of Congress or an employee of a Member of Congress regarding a matter which is not within the jurisdiction of a committee of Congress of which that Member is a member shall be considered a contact with the House of Congress of that Member.\\

//(3) CONTACTS CONSIDERED CONTACTS WITH FEDERAL AGENCIES.--For purposes of subsection (b)(2), any contact with a covered executive branch official shall be considered a contact with the Federal agency that employs that official.\\

//(e) EXTENSION FOR FILING.--The Director may grant an extension of time of not more than 30 days for the filing of any report under this section, upon the request of the registrant, for good cause shown.\\

## //SEC. 6. PROHIBITION ON GIFTS, MEALS, TRAVEL, ENTERTAINMENT, REIMBURSEMENTS, AND LOANS; ITEMIZATION OF CERTAIN EXPENDITURES\\

//(a) IN GENERAL.--\\

//(1) REGISTRANTS AND LOBBYISTS.--In accordance with this section, each registrant (including a lobbyist employed by, or a lobbyist who is a member of, a registrant) or any client of a registrant shall be--\\

//(A) prohibited from providing, directly or indirectly,

gifts, meals, travel, entertainment, reimbursements, and loans described in subsection (b), and\\

//(B) required to make an itemized disclosure of expenditures described in subsection (c) and provided, directly or indirectly,\\

//to a covered legislative branch official, to an entity that is maintained or controlled by a covered legislative branch official, or to any other person or entity on behalf of a covered legislative branch official (collectively referred to in this subsection as a "covered person or entity").\\

//(2) FOREIGN LOBBYISTS.--For purposes of this section, a registrant or any client of a registrant shall include a foreign principal (as defined in section 1(b) of the Foreign Agents Registration Act) and an agent of a foreign principal (as defined in section 1(c) of such Act).\\

//(b) PROHIBITION.--A registrant (including a lobbyist) or any client of a registrant may not provide, directly or indirectly (with funds of a registrant or a client), to or on behalf of or for a covered person or entity:\\

//(1) TRAVEL, ENTERTAINMENT, FOOD, AND LODGING.--Payment for local or long-distance transportation, entertainment, food, or lodging, whether provided in kind, by purchase of a ticket, by payment in advance or by reimbursement, or otherwise.\\

//(2) REIMBURSEMENT.--Reimbursement of an expense.\\

//(3) LOAN.--A loan.\\

//(4) GIFTS.--Any other item of value.\\

//(c) DISCLOSURE.--With respect to expenditures described in this subsection, the prohibitions prescribed by subsection (b) with respect to an expenditure will not apply to a registrant or any client of a registrant if the registrant discloses the expenditure of the registrant or the client, in the registrant's semiannual report under section 5(a) or in a separate report on itemized expenditures subject to the same filing requirements, as follows:\\

//(1) IN GENERAL.--With respect to each expenditure described in paragraph (2), the registrant shall disclose--\\

//(A) the name and position of the covered legislative branch official or other covered person or entity to whom or which or on behalf of whom or which the expenditure was made;\\

//(B) the type of the expenditure;\\

//(C) the date on which the expenditure was made; and\\

//(D) the amount of the expenditure.\\

**//(2) EXPENDITURES SUBJECT TO DISCLOSURE.**--The following expenditures are subject to disclosure under paragraph (1):\

**//(A) Necessary travel-related expenditures made by a registrant described in section 5(b)(4) or a client of a registrant described in section 5(b)(3) for a covered legislative branch official or a person on behalf of such an official in connection with speaking engagements, fact finding trips, substantial participation in an event sponsored by an entity described in section 170(c) or 527(e) of the Internal Revenue Code of 1986, and similar events if the expenditure covers the costs of a trip for a period of not more than--\**

**//(i) 4 consecutive days in the case of domestic travel and 7 consecutive days (excluding travel days) in the case of international travel, and\**

**//(ii) 24 hours before or after such person's actual participation in the event in the case of domestic travel or 48 hours before or after such person's actual participation in the event in the case of international travel.\**

**//Necessary travel-related expenditures include reimbursements for necessary transportation whether or not such transportation occurs within the periods described in clause (i) or (ii), but does not include expenditures for travel, lodging, or entertainment collateral to the event or meals taken other than in a group setting to which all other attendees are invited.\**

**//(B) Honorary degrees and associated meals and entertainment provided to a covered person or entity.\**

**//(C) Food, refreshment, or entertainment provided a covered person or entity while attending a meeting or event with persons who are not United States citizens while on official travel to a foreign area.\**

**//(3) CONFERENCES.**--With respect to each financial contribution or expenditure relating to a conference, retreat, or similar event for or on behalf of covered legislative branch officials which is sponsored by or affiliated with an official congressional organization, the registrant shall disclose--\

**//(A) the nature of the conference, retreat, or similar event;\**

**//(B) the date or dates on which the conference, retreat, or other event occurred; \**

**//(C) the identity of the organization that sponsored or is affiliated with the event; and\**

**//(D) a single aggregate figure for the contributions or expenditures made by the registrant or client of the registrant in connection with the conference, retreat, or similar event.\\**

**//(4) EVENTS.--With respect to each financial contribution or expenditure that relates to a widely attended event that is hosted or cohosted with, or in honor of, 1 or more covered legislative branch officials, the registrant shall disclose--\\**

**//(A) the name and position of each such covered legislative branch official that hosted, cohosted, or was honored at such event\\**

**//(B) the nature of the event;\\**

**//(C) the date on which the event occurred; and\\**

**//(D) a single aggregate figure for the contributions or expenditures made by the registrant in connection with the event.\\**

**//(5) CHARITABLE CONTRIBUTIONS.--With respect to each charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made in lieu of an honorarium on the basis of a designation, recommendation, or other specification made by a covered legislative branch official, the registrant shall disclose--\\**

**//(A) the name and position of each such covered legislative branch official;\\**

**//(B) the name of any covered person or entity to whom or which the contribution was made;\\**

**//(C) the date on which the contribution was made; and\\**

**//(D) the value of the contribution.\\**

**//(6) CONTRIBUTIONS TO LEGAL DEFENSE FUND.--With respect to each contribution or other payment made to a legal defense fund established for the benefit of a covered legislative branch official, the registrant shall disclose--\\**

**//(A) the name and position of each such covered legislative branch official;\\**

**//(B) the name of any other person or entity to whom or which the contribution was made;\\**

**//(C) the date on which the contribution was made; and\\**

**//(D) the value of the contribution.\\**

**//(7) NOTIFICATION.--Not less than 3 weeks after an expenditure required to be reported under this subsection is made, the registrant or any client of a registrant who made or for whom was made such expenditure shall provide, in a standard**

format determined by the Office of Lobbying Registration and Public Disclosure, to any covered person or entity, whose name the registrant or client intends for the registrant to include in either the registrant's semiannual report under section 5(a) or a separate report on itemized expenditures under this subsection, a complete list of the information the registrant intends to disclose relative to that covered person or entity. The registrant shall not list in its report referred to in this paragraph any information relative to a covered person or entity who—\

//(A) was not the subject of the expenditure referred to in the preceding sentence, or\

//(B) reimburses the person making such expenditure the full amount of such expenditure within 30 days of the receipt of notification under this paragraph.\

//(d) EXCEPTIONS.—The following are not subject to subsection (b) or (c):\

//(1) Anything for which market value is paid by the recipient. \

//(2) A contribution, as defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that is lawfully made under that Act.\

//(3) An item of little intrinsic value such as a greeting card, baseball cap, or a T-shirt or a personalized item such as a plaque, certificate, or trophy that is intended solely for recognition of a covered legislative branch official.\

//(4) Food and attendance provided to a covered person or entity at an event sponsored by an organization described in section 170(c) or 527(e) of the Internal Revenue Code of 1986.\

//(5)(A) An item described in subsection (b) (hereafter in this paragraph referred to as an "item") given under circumstances which make it clear that the item is given for a nonbusiness purpose and is motivated by a family relationship or personal friendship and not by the position of the recipient. In determining if the giving of an item is motivated by a family relationship or personal friendship, at least the following factors shall be considered:\

//(i) The history of the relationship between the individual giving the item and the individual receiving the item, including whether or not items have previously been exchanged by such individuals.\

//(ii) Whether the item was purchased by the individual who gave the item.\

**//(iii) Whether the individual who gave the item also at the same time gave the same or similar item to other covered persons or entities.\**

**//(B) The giving of an item shall not be considered to be motivated by a family relationship or personal friendship if the family member or friend seeks--\**

**//(i) to deduct the value of such item as a business expense on the family member's or friend's Federal income tax return, or\**

**//(ii) reimbursement either from a registrant or from a client.\**

**//(6) Items which are not used and which are promptly returned to the donor.\**

**//(7) Except with respect to items described in subsection (c)--\**

**//(A) attendance, food, and refreshments at widely attended gatherings, including conventions, conferences, symposiums, retreats, dinners, receptions, viewings, or similar events if such attendance, food, and refreshments are unsolicited by the recipient and provided by the sponsor of the event,\**

**//(B) meals or entertainment that are unsolicited by the recipient and not paid for either directly or indirectly (including with funds of a registrant or client) by a lobbyist or an agent of a foreign principal (as defined in section 1(c) of the Foreign Agents Registration Act) and not paid for either directly or indirectly by a registrant described in section 5(b)(3), if an employee (other than a lobbyist) of--\**

**//(i) a registrant described in section 5(b)(4), or\**

**//(ii) a client of a registrant described in section 5(b)(3),\**

**//acting in a representational capacity, substantially participates in the meal or entertainment, and\**

**//(C) modest items of food or refreshment such as soft drinks, coffee, or doughnuts offered other than as part of a meal.\**

**//(8) Rewards and prizes given to competitors in contests or events, including random drawings open to the public.\**

**//(9) Loans from financial institutions on terms generally available to the public.\**

**//(10) Opportunities and benefits, including favorable rates and commercial discounts, available to the public or to a**

class consisting of all Government employees whether or not restricted on the basis of geographical considerations.\\

//(11) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.\\

//(12) Anything which is paid for by the Government or secured by the Government under Government contract.\\

//(13) Any gift accepted under specific statutory authority except section 901 of the Ethics Reform Act of 1989 (2 U.S.C. 31-2).\\

//(14) Reduced membership or other fees for participation in organizational activities offered to all Government employees by professional organizations if the only restrictions on membership relate to professional qualifications.\\

//(15) Opportunities and benefits offered to members of a group or class in which membership is unrelated to congressional employment.\\

//(16) Opportunities and benefits offered to members of an organization, such as credit unions, in which membership is related to congressional employment if similar benefits are broadly available to large segments of the public through organizations of similar size.\\

//(17) Gifts resulting from the covered legislative branch official's outside business or employment activities when it is clear that such benefits have not been offered or enhanced because of the covered legislative branch official's official status.\\

//(18) Gifts resulting from the business or employment activities of a covered legislative branch official's spouse when it is clear that such benefits have not been offered or enhanced because of the covered legislative branch official's official position.\\

//(19) Informational materials that are sent to a covered legislative branch official's office in the form of books, articles, periodicals, other written materials, audio tapes, videotapes, or other forms of communication.\\

//(20) Home State products, food, or other items of minimal value used primarily for promotional purposes.\\

//(e) DEFINITION.—For purposes of this section, the term "market value" when applied to a gift means the retail cost a person would incur to purchase the gift. The market value of a gift of a ticket entitling the holder to food, refreshments, or entertainment is the retail cost of similar food, refreshments, or

entertainment.\

**//(f) CLIENTS.--\**

**//(1) NOTICE TO CLIENTS.--**A registrant described in section 5(b)(3) shall by written notice inform any client of the registrant of the requirements of this section applicable to the client. Such notice shall be provided at the time the registrant registers on behalf of such client under section 4 and at the beginning of each semiannual reporting period under section 5(a).\

**//(2) NOTICE BY CLIENTS.--**If a client of a registrant makes an expenditure which such registrant will be required to report under subsection (c), the client shall promptly notify the registrant of such expenditure. Failure to provide such notice shall be considered to be a violation of this Act.\

**//(g) HOUSE RULES.--**Clause (4) of Rule XLIII of the Rules of the House of Representatives is amended by adding at the end the following: "A Member, officer, or employee of the House of Representatives shall not accept a gift given by a lobbyist or registrant subject to the Lobbying Disclosure Act of 1994 in knowing violation of that Act.".\

**//SEC. 7. ESTABLISHMENT AND DUTIES OF OFFICE OF LOBBYING REGISTRATION AND PUBLIC DISCLOSURE.\**

**//(a) ESTABLISHMENT.--\**

**//(1) OFFICE AND DIRECTOR.--**There is established as an independent agency in the executive branch an Office of Lobbying Registration and Public Disclosure, which shall be headed by a Director. The Director shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be an individual who, by demonstrated ability, background, training, and experience, is especially qualified to carry out the functions of the position. The term of service of the Director shall be 5 years.\

**//(2) COMPENSATION.--**Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:\

**//"Director of the Office of Lobbying Registration and Public Disclosure." . \**

**//(3) EMPLOYEES AND SERVICES.--**The Director may--\

**//(A)** appoint officers and employees, including attorneys, in accordance with chapter 51 and subchapter III of chapter 53 of title 5, United States Code; and\

**//(B) contract for financial and administrative services (including those related to budget and accounting, financial reporting, personnel, and procurement) with the General Services Administration or such other Federal agency as the Director determines appropriate, for which payment shall be made in advance or by reimbursement from funds of the Office in such amounts as may be agreed upon by the Director and the head of the agency providing such services.\\**

**//Contract authority under subparagraph (B) shall be effective for any fiscal year only to the extent that appropriations are available for that purpose.\\**

**//(b) DUTIES.—The Director of the Office of Lobbying Registration and Public Disclosure shall—\\**

**//(1) after notice and a reasonable opportunity for public comment, and consultation with the Secretary of the Senate, the Clerk of the House of Representatives, and the Administrative Conference of the United States, prescribe such regulations, forms, and penalty schedules as are necessary to carry out this Act;\\**

**//(2) provide guidance and assistance on the registration and reporting requirements of this Act, including the issuance of published decisions and advisory opinions; \\**

**//(3) review the registrations and reports filed under this Act and make such verifications or inquiries as are necessary to ensure the completeness, accuracy, and timeliness of the registrations and reports;\\**

**//(4) develop filing, coding, and cross-indexing systems to carry out the purposes of this Act, including computerized systems designed to minimize the burden of filing and maximize public access to materials filed under this Act;\\**

**//(5) ensure that the computer systems developed pursuant to paragraph (4)—\\**

**//(A) allow the materials filed under this Act to be accessed by client name, lobbyist name, and registrant name;\\**

**//(B) are compatible with computer systems developed and maintained by the Federal Election Commission, and that information filed in the two systems can be readily cross-referenced; and\\**

**//(C) are compatible with computer systems developed and maintained by the Secretary of the Senate and the Clerk of the House of Representatives;\\**

//(6) make copies of each registration and report filed under this Act available to the public, upon the payment of reasonable fees, not to exceed the cost of such copies, as determined by the Director, in electronic and hard copy formats as soon as practicable after the date on which such registration or report is received;\\

//(7) preserve the originals or accurate reproduction of-\\

//(A) registrations filed under this Act, and\\

//(B) of reports filed under this Act,\\

//for a period of not less than 3 years from the date on which the registration or report is received;\\

//(8) maintain a computer record of-\\

//(A) the information contained in registrations, and\\

//(B) the information contained in reports filed under this Act for not less than 5 years after the date on which such reports are received;\\

//(9) compile and summarize, with respect to each semiannual period, the information contained in registrations and reports filed with respect to such period in a manner which clearly presents the extent and nature of expenditures on lobbying activities during such period;\\

//(10) make information compiled and summarized under paragraph (9) available to the public in electronic and hard copy formats as soon as practicable after the close of each semiannual filing period; \\

//(11) provide, by computer telecommunication or other transmittal in a form accessible by computer, to the Secretary of the Senate and the Clerk of the House of Representatives copies of all registrations and reports received under sections 4 and 5 and all compilations, cross-indexes, and summaries of such registrations and reports, as soon as practicable (but not later than 3 working days) after such material is received or created;\\

//(12) make available to the public a list of all persons whom the Director determines, under section 9(c) or 10(c), to have violated this Act and submit such list to the Congress on a semiannual basis;\\

//(13) upon request, indicate if an individual who may have been the subject of a lobbying contact is or has been within 3 years before the date of the request a covered executive branch official or a covered legislative branch official; and\\

//(14) transmit to the President and the Congress a report, not later than March 31 of each year, describing the activities of the Office and the implementation of this Act, including-\\

**/(A) a financial statement for the preceding fiscal year;\**

**/(B) a summary of the registrations and reports filed with the Office with respect to the preceding calendar year;\**

**/(C) a summary of the registrations and reports filed on behalf of foreign entities with respect to the preceding calendar year; and\**

**/(D) recommendations for such legislative or other action as the Director considers appropriate.\**

## **!SEC. 8. INITIAL PROCEDURE FOR ALLEGED VIOLATIONS. !**

**/(a) ALLEGATION OF A VIOLATION.--Whenever the Office of Lobbying Registration and Public Disclosure has reason to believe that a person may be in violation of the requirements of this Act, the Director shall notify the person in writing of the nature of the alleged violation and provide an opportunity for the person to respond in writing to the allegation within 30 days after the notification is sent or such longer period as the Director may determine appropriate in the circumstances.\**

**/(b) INITIAL DETERMINATION.--If the person responds within the period described in the notification under subsection (a), the Director shall--\**

**/(1) issue a written determination that the person has not violated this Act if the person provides adequate information or explanation to make such determination; or\**

**// (2) make a formal request for information under subsection (c) or a determination under section 9, if the information or explanation provided indicates that such person may have violated this Act.\**

**//A determination under paragraph (1) may be published by the Director with the names redacted if the Director determines the determination without the names provides useful guidance.\**

**/(c) FORMAL REQUEST FOR INFORMATION.--If a person fails to respond in writing within the period described in the notification under subsection (a) or the response is not adequate to determine whether such person has violated this Act, the Director may make a formal request for specific additional written information (subject to applicable privileges) that is reasonably necessary for the Director to make such determination. Each such request shall be**

structured to minimize any burden imposed, consistent with the need to determine whether the person is in compliance with this Act, and shall--\\

//(1) state the nature of the conduct constituting the alleged violation which is the basis for the inquiry and the provision of law applicable thereto; \\

//(2) describe the class or classes of material to be produced pursuant to the request with such definiteness and certainty as to permit such material to be readily identified; and \\

//(3) prescribe a return date or dates which provide a reasonable period of time within which the person may assemble and make available for inspection and copying or reproduction the material so requested.\\

//(d) NONDISCLOSURE OF INFORMATION.--Information provided to the Director under this section and sections 9 and 10 shall not be made available to the public without the consent of the person providing the information, except to the extent such information may be included in--\\

//(1) any new or amended registration or report filed in connection with an inquiry under this section; or\\

//(2) a written decision issued by the Director under section 9 or 10 after appropriate redaction by the Director to protect the interests of innocent parties.\\

#### //SEC. 9. DETERMINATIONS OF VIOLATIONS.\\

//(a) NOTIFICATION AND HEARING.--If the information provided to the Director under section 8 indicates that a person may have violated this Act, the Director shall--\\

//(1) notify the person in writing of this finding and, if appropriate, a proposed penalty assessment and provide such person with an opportunity to respond in writing within 30 days after the notice is sent; and\\

//(2) if requested in writing by that person within that 30-day period, afford the person an opportunity for a hearing on the record under the provisions of section 554 of title 5, United States Code.\\

//(b) DETERMINATION.--Upon the receipt of a written response under subsection (a)(1) when no hearing under subsection (a)(2) is requested, upon the completion of a hearing requested under subsection (a)(2), or upon the expiration of 30 days in a case in

which no such written response is received, the Director shall review the information received under this section (including evidence presented at any such hearing) and section 8 and make a final determination whether there was a violation and a final determination of the penalty, if any. If no written response was received under this section within the 30-day period provided, the determination and penalty assessment shall constitute a final order not subject to appeal.\

**//(c) WRITTEN DECISION.--\**

**//(1) DETERMINATION OF VIOLATION.--**If the Director makes a final determination under subsection (b) that there was a violation, the Director shall issue a public written decision--\

**//(A)** directing the person to correct the violation;  
and\

**//(B)** assessing a civil monetary penalty in an amount determined as follows:\

**//(i)** In the case of a minor violation, the amount shall be no more than \$10,000, depending on the nature and extent of the violation.\

**//(ii)** In the case of a significant violation, the amount shall be more than \$10,000, but no more than \$200,000, depending on the nature and extent of the violation and the extent to which the person may have profited from the violation.\

**//(2) DETERMINATION OF NO VIOLATION OR INSUFFICIENT EVIDENCE.--**If the Director determines that no violation occurred or there was not sufficient evidence that a violation occurred, the Director shall issue a written notice of such determination to the person charged. Such notice may be published by the Director with names redacted if the Director determines it provides useful guidance.\

**//(d) CIVIL INJUNCTIVE RELIEF.--**If a person fails to comply with a directive to correct a violation under subsection (c), the Director shall refer the case to the Attorney General to seek civil injunctive relief in the appropriate court of the United States to compel such person to comply with such directive.\

**//(e) PENALTY ASSESSMENTS.--\**

**//(1) GENERAL RULE.--**No penalty shall be assessed under this section unless the Director finds that the person subject to the penalty knew or should have known that such person was in violation of this Act. In determining the amount of a penalty to

be assessed, the Director shall take into account the totality of the circumstances, including the extent and gravity of the violation and such other matters as justice may require.\\

//(2) REGULATIONS.--Regulations prescribed by the Director under section 7 shall define minor and significant violations. Significant violations shall be defined to include a failure to register and any other violation that is extensive or repeated if the person who commits such violation knew or should have known that the action constituting the violation was a violation of this Act.\\

//(f) LIMITATION.--No proceeding shall be initiated under this section relating to a registration or report filed or required to be filed under this Act unless the Director notifies the person who is to be the subject to the proceeding of the alleged violation within 3 years after the date on which such registration or report was filed or was required to be filed.\\

#### //SEC. 10. OTHER VIOLATIONS. \\

//(a) LATE REGISTRATION OR FILING; FAILURE TO PROVIDE INFORMATION.--If a person registers or files a report after a registration or filing is required under this Act, or fails to provide information requested by the Director under section 8(c), the Director shall--\\

//(1) notify the person in writing of the violation and a proposed penalty assessment and provide such person with an opportunity to respond in writing within 30 days after the notice is sent; and \\

//(2) if requested by that person within that 30-day period, afford the person a hearing in accordance with section 9(a)(2).\\

//(b) DETERMINATION.--Upon the receipt of a written response under subsection (a)(1) when no hearing under subsection (a)(2) is requested, upon the completion of a hearing requested under subsection (a)(2), or upon the expiration of 30 days in a case in which no such written response is received, the Director shall review the information received under subsection (a) (including evidence presented at any such hearing) and, unless the Director determines, on the basis of such information, that the late filing or failure to provide information was justified, the Director shall make a final determination of a violation and a final determination of the penalty, if any. If no written response or request for a

hearing was received under subsection (a) within the 30-day period provided, the determination and penalty assessment shall constitute a final order not subject to appeal.\\

**/(c) WRITTEN DECISION.--\\**

**/(1) DETERMINATION OF VIOLATION.--**If the Director makes a final determination under subsection (b) that there was a violation, the Director shall issue a public written decision-\\

**/(A)** in the case of a late registration or filing, assessing a civil monetary penalty of \$200 for each week by which the filing was late, with the total penalty not to exceed \$10,000; or\\

**/(B)** in the case of a failure to provide information-\\

**/(i)** directing the person to provide the information within a reasonable period of time; and\\

**/(ii)** except where the Director determines that the violation was the result of a good faith dispute over the validity or appropriate scope of a request for information, assessing a civil monetary penalty in an amount not to exceed \$10,000.\\

**/(2) DETERMINATION OF NO VIOLATION OR INSUFFICIENT EVIDENCE.--**If the Director determines that no violation occurred or there was not sufficient evidence that a violation occurred, the Director shall issue a written notice of such determination to the person charged. Such notice may be published by the Director with names redacted if the Director determines it provides useful guidance.\\

**/(d) CIVIL INJUNCTIVE RELIEF.--**In the case of a person failing to comply with a directive issued under subsection (c)(2)(A), the Director shall refer such matter to the Attorney General, who shall seek civil injunctive relief in the appropriate court of the United States to compel such person to comply with such directive unless the Attorney General finds no reasonable likelihood that the Government would prevail.\\

**/(SEC. 11. JUDICIAL REVIEW.\\**

**/(a) FINAL DECISION.--**A written decision issued by the Director under section 9 or 10 shall become final 60 days after the date on which the Director provides notice of the decision, unless such decision is appealed under subsection (b) of this section.\\

**/(b) APPEAL.--**Any person adversely affected by a written

decision issued by the Director under section 9 or 10 may appeal such decision, except as provided under section 9(b) or 10(b), to the appropriate United States court of appeals. Such review may be obtained by filing a written notice of appeal in such court no later than 60 days after the date on which the Director provides notice of the Director's decision and by simultaneously sending a copy of such notice of appeal to the Director. The Director shall file in such court the record upon which the decision was issued, as provided under section 2112 of title 28, United States Code. The findings of fact of the Director shall be conclusive, unless found to be unsupported by substantial evidence, as provided under section 706(2)(E) of title 5, United States Code. Any penalty assessed or other action taken in the decision shall be stayed during the pendency of the appeal.\

**/(c) RECOVERY OF PENALTY.**—Any penalty assessed in a written decision which has become final under this Act may be recovered in a civil action brought by the Attorney General in an appropriate United States district court. In any such action, no matter that was raised or that could have been raised before the Director or pursuant to judicial review under subsection (b) may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.\

## **/(SEC. 12. RULES OF CONSTRUCTION.!**

**/(a) CONSTITUTIONAL RIGHTS.**—Nothing in this Act shall be construed to prohibit or interfere with—\

**/(1) the right to petition the government for the redress of grievances,\**

**/(2) the right to express a personal opinion, or\**

**/(3) the right of association,\**

**//protected by the First Amendment to the Constitution.\**

**/(b) PROHIBITION OF ACTIVITIES.**—Nothing in this Act shall be construed to prohibit, or to authorize the Director or any court to prohibit lobbying activities or lobbying contacts by any person, regardless of whether such person is in compliance with the requirements of this Act.\

**/(c) AUDIT AND INVESTIGATIONS.**—Nothing in this Act shall be construed to grant general audit or investigative authority to the

Director, or to authorize the Director to review the files of a registrant, except in accordance with the requirements of section 8.\\

//SEC. 13. AMENDMENTS TO THE FOREIGN AGENTS REGISTRATION ACT.\\

//The Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), is amended--\\

//(1) in section 1--\\

//(A) by striking out subsection (j);\\

//(B) in subsection (o), by striking out "the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence" and inserting in lieu thereof "any activity which the person engaging in believes will, or which he intends to, in any way influence";\\

//(C) in subsection (p) by striking out the semicolon and inserting in lieu thereof a period; and\\

//(D) by striking out subsection (q);\\

//(2) in section 3(g) (22 U.S.C. 613(g)), by striking out "established agency proceedings, whether formal or informal." and inserting in lieu thereof "judicial proceedings, criminal or civil law enforcement inquiries, investigations or proceedings, or agency proceedings required by statute or regulation to be conducted on the record.";\\

//(3) in section 3 (22 U.S.C. 613), by adding at the end the following:\\

//"(h) Any agent of a person described in section 1(b)(2) or an entity described in section 1(b)(3) of this Act if the agent is required to register and does register under the Lobbying Disclosure Act of 1994 in connection with the agent's representation of such person or entity." \\

//(4) in section 4(a) (22 U.S.C. 614(a))--\\

//(A) by striking out "political propaganda" and inserting in lieu thereof "informational materials"; and\\

//(B) by striking out "and a statement, duly signed by or on behalf of such an agent, setting forth full information as to the places, times, and extent of such transmittal";\\

//(5) in section 4(b) (22 U.S.C. 614(b))--\\

//(A) in the matter preceding clause (i) by striking

out "political propaganda" and inserting in lieu thereof "informational materials"; and\\

/(B) by striking out "(i) in the form of prints, or" and all that follows through the end of the subsection and inserting in lieu thereof "without placing in such informational materials a conspicuous statement that the materials are distributed by the agent on behalf of the foreign principal, and that additional information is on file with the Department of Justice, Washington, District of Columbia. The Attorney General may by rule define what constitutes a conspicuous statement for the purposes of this subsection.";\\

/(6) in section 4(c) (22 U.S.C. 614(c)), by striking out "political propaganda" and inserting in lieu thereof "informational materials";\\

/(7) in section 6 (22 U.S.C. 616)--\\

/(A) in subsection (a), by striking out "and all statements concerning the distribution of political propaganda";\\

/(B) in subsection (b), by striking out ", and one copy of every item of political propaganda"; and\\

/(C) in subsection (c), by striking out "copies of political propaganda,";\\

/(8) in section 8 (22 U.S.C. 618)--\\

/(A) in subsection (a)(2), by striking out "or in any statement under section 4(a) hereof concerning the distribution of political propaganda"; and\\

/(B) by striking out subsection (d); and\\

/(9) in section 11 (22 U.S.C. 621), by striking out ", including the nature, sources, and content of political propaganda disseminated or distributed".\\

#### //SEC. 14. AMENDMENTS TO THE BYRD AMENDMENT.\\

/(a) REVISED CERTIFICATION REQUIREMENTS.--Section 1352(b) of title 31, United States Code, is amended--\\

/(1) in paragraph (2), by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following:\\

/"(A) the name of any registrant under the Lobbying Disclosure Act of 1994 who has made lobbying contacts on behalf of the person with respect to that Federal contract, grant, loan, or cooperative agreement; and\\

/"(B) a certification that the person making the declaration has not made, and will not make, any payment

prohibited by subsection (a).";\

//(2) in paragraph (3), by striking out all that follows "loan shall contain" and inserting in lieu thereof "the name of any registrant under the Lobbying Disclosure Act of 1994 who has made lobbying contacts on behalf of the person in connection with that loan insurance or guarantee."; and\

//(3) by striking out paragraph (6) and redesignating paragraph (7) as paragraph (6).\

//(b) REMOVAL OF OBSOLETE REPORTING REQUIREMENT.--Section 1352 of title 31, United States Code, is further amended--\

//(1) by striking subsection (d); and\

//(2) by redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively.\

#### //SEC. 15. REPEAL OF CERTAIN LOBBYING PROVISIONS.!\

//(a) REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT.--The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.) is repealed.\

//(b) REPEAL OF PROVISIONS RELATING TO HOUSING LOBBYIST ACTIVITIES.--\

//(1) Section 13 of the Department of Housing and Urban Development Act (42 U.S.C. 3537b) is repealed.\

//(2) Section 536(d) of the Housing Act of 1949 (42 U.S.C. 1490p(d)) is repealed.\

#### //SEC. 16. CONFORMING AMENDMENTS TO OTHER STATUTES.!\

//(a) AMENDMENT TO COMPETITIVENESS POLICY COUNCIL ACT.--Section 5205(e) of the Competitiveness Policy Council Act (15 U.S.C. 4804(e)) is amended by inserting "or a lobbyist for a foreign entity (as the terms 'lobbyist' and 'foreign entity' are defined in section 3 of the Lobbying Disclosure Act of 1994)" after "an agent for a foreign principal".\

//(b) AMENDMENTS TO TITLE 18, UNITED STATES CODE.--Section 219(a) of title 18, United States Code, is amended (1) by inserting "or a lobbyist required to register under the Lobbying Disclosure Act of 1994 in connection with the representation of a foreign entity, as defined in section 3(7) of that Act" after "an agent of a foreign principal required to register under the Foreign Agents Registration Act of 1938", and (2) by striking out ", as amended,". Section

201(c)(1) of such title is amended by inserting "or rule or regulation issued pursuant to section 7353(b) by the supervising ethics office as defined in section 7353(d)(1) (A) through (E) of title 5" after "as provided by law".\

//(c) AMENDMENT TO FOREIGN SERVICE ACT OF 1980.—Section 602(c) of the Foreign Service Act of 1980 (22 U.S.C. 4002(c)) is amended by inserting "or a lobbyist for a foreign entity (as defined in section 3(7) of the Lobbying Disclosure Act of 1994)" after "an agent of a foreign principal (as defined by section 1(b) of the Foreign Agents Registration Act of 1938)".\

#### //SEC. 17. IDENTIFICATION OF FOREIGN CLIENT.\

//(a) ORAL LOBBYING CONTACT.—Any person who makes an oral lobbying contact with a covered legislative branch official or a covered executive branch official on behalf of a foreign client shall, on the request of the official, identify the client on whose behalf the lobbying contact was made, state that such client is considered a foreign client under this section, and state whether such person is registered on behalf of that client under section 4. Such person shall, within one week of such lobbying contact, send to the covered legislative branch official or the covered executive branch official written confirmation of the information provided.\

//(b) WRITTEN LOBBYING CONTACT.—Any person who makes a written lobbying contact (including an electronic communication) with a covered legislative branch official or a covered executive branch official on behalf of a foreign client shall identify the client on whose behalf the lobbying contact was made, state that such client is considered a foreign client under this section, and state whether such person is registered on behalf of that client under section 4.\

//(c) DEFINITION.—For purposes of subsections (a) and (b), the term "foreign client" means a foreign entity as defined in section 3(7) or any organization or combination of persons under United States or foreign law if more than 50 percent of its members are foreign entities, if more than 50 percent of the equitable ownership of the organization or combination is held by foreign entities, or if more than 50 percent of its financial support is provided by foreign entities.\

#### //SEC. 18. AUTHORIZATION OF APPROPRIATIONS.\

//There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this Act.\\

**//SEC. 19. SEVERABILITY.\\**

//If any provision of this Act, or the application thereof, is held invalid, the validity of the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.\\

**//SEC. 20. EFFECTIVE DATES AND INTERIM RULE.\\**

//(a) **IN GENERAL.** --Except as otherwise provided in this section, the provisions of this Act shall take effect 1 year after the date of the enactment of this Act.\\

//(b) **ESTABLISHMENT OF OFFICE.** --The provisions of sections 7 and 18 and the amendments made by section 16 shall take effect on the date of the enactment of this Act.\\

//(c) **REPEALS AND AMENDMENTS.** --The repeals and amendments made under sections 13, 14, and 15 shall take effect as provided under subsection (a), except that such repeals and amendments--\\

//(1) shall not affect any proceeding or suit commenced before the effective date under subsection (a), and in all such proceedings or suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted; and\\

//(2) shall not affect the requirements of Federal agencies to compile, publish, and retain information filed or received before the effective date of such repeals and amendments.\\

//(d) **REGULATIONS.** --Proposed regulations required to implement this Act shall be published for public comment no later than 270 days after the date of the enactment of this Act. No later than 1 year after the date of the enactment of this Act, final regulations required to implement this Act shall be published.\\

//(e) **PHASE-IN-PERIOD.** --No penalty shall be assessed by the Director under section 9(e) for a violation of this Act, other than for a violation of section 6, which occurs during the first semiannual reporting period under section 5 after the effective date prescribed by subsection (a).\\

**//(f) INTERIM REPORTING RULE.--\\**

**//(1) RULE.--**For 3 years after the date of the enactment of this Act, any registrant engaged in lobbying activities on its own behalf that is denied a deduction for expenditures associated with such lobbying activities under section 162(e) of the Internal Revenue Code of 1986, may make a good faith estimate (by category of dollar value) of the amount of the deduction denied for the applicable semiannual period to meet the requirements of section 5(b)(4) of this Act. Each time a registrant elects to estimate lobbying expenditures pursuant to this paragraph, the registrant shall inform the Director that it is making such an estimate.\\

**//(2) STUDY.--**Within 120 days of the filing of reports by registrants under section 5 in the second semiannual reporting period, the Comptroller General of the United States shall review reporting by registrants under paragraph (1) in such periods and report to the Congress--\\

**//(A)** the differences between the definition of lobbying activities in section 3 and the definition of lobbying expenditures in such section 162(e) as each are implemented by regulations;\\

**//(B)** the impact any such differences may have on the amounts reported by the registrants who elect to estimate lobbying expenditures pursuant to paragraph (1); and\\

**//(C)** any changes to this Act or to such section 162(e) which the Comptroller General may recommend to harmonize the two definitions.\\

**//(g) TRANSITIONAL FILING REQUIREMENT.--\\**

**//(1) SIMULTANEOUS FILING.--**Subject to the provisions of paragraph (2), each registrant shall transmit simultaneously to the Secretary of the Senate and the Clerk of the House of Representatives an identical copy of each registration and report required to be filed under this Act.\\

**//(2) SUNSET PROVISION.--**The simultaneous filing requirement under paragraph (1) shall be effective until such time as the Director, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, determines that the Office of Lobbying Registration and Public Disclosure is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 7(b)(11).\\

**//(3) IMPLEMENTATION.--**The Director, the Secretary of the Senate, and the Clerk of the House of Representatives shall take

such actions as necessary to ensure that the Office of Lobbying Registration and Public Disclosure is able to provide computer telecommunication or other transmittal of registrations and reports as required under section 7(b)(11) on the effective date of this Act, or as soon thereafter as reasonably practicable.\\

Attest:

//Clerk.\\

There are no more items to read.

Senate will have gift to exec branch,  
House doesn't. Senate will probably prevail.  
Even senate for us to suggest it.  
Senate wants bill more than House  
Don't communicate says.

Get letter on whether illegal for IRS  
to solicit funds for LDF.  
- McDade, Kay Bailey Hutcheon  
- taxable gift

House is ready to have golf trips

Brand can do exceptions  
Be lobbyist + director  
They'll vote for it - 6 of law and

House leaders feel very strongly

Coverage - every person published source  
or make distinction

Lobby  
Staff Reform

Max Baucus coverage

---

Lobbying Disclosure - ready for floor

Strong showing on Gifts in Senate

Leadership - Mitchell Foley Gephardt  
Bryant, Levin

Goal = before August recess

Want to get credit for something  
- Writing rule on gifts  
- But make case for

Interim period - DOJ -

Institutional, not partisan

(IRS debate for non-profits)

---

## GIFTS

Current = 250 <sup>per source</sup> ~~per year~~, but under 100 <sup>+ meals + travel</sup> don't count

Passed 95-4 Hollar, Bennett, Amodeo, Wadsworth

Senate: Bans gifts, meals, + travel from lobbyists  
for members + staff <sup>not clients</sup>

~~Bans campaign contributions~~ <sup>officer or employee of</sup>  
Bans lobbyist gifts to LDF (lobbyists only) <sup>each branch</sup>

Exception for friends + family (don'ts)  
Home state exception <sup>but disclosure</sup>

Speakers exemption, but not recreation

Exec Branch no gifts > \$20

House: Bans gifts, meals, travel from lobbyists

Exceptions: Friends + family (no disclosure either)

Allows golf trips + recreation, spouses

Client can buy \$ gifts, but disclosure

# Common Cause Fax

3030 M STREET NW • WASHINGTON, D.C. 20036-3380 • PHONE: (202) 833-1200 • FAX: (202) 659-3716

DATE 3-3-94 TIME \_\_\_\_\_ PAGES TO FOLLOW 7

*Lobby Reform*

TO Bruce Reed

ORGANIZATION \_\_\_\_\_

PHONE \_\_\_\_\_ FAX 456-7431

FROM Fred Wertheimer

PHONE \_\_\_\_\_

PLEASE NOTIFY RECIPIENT PROMPTLY.

# Common Cause

**FOR RELEASE:**  
Friday, March 4, 1994

**CONTACT:** Jackie G. Howell  
Colleen O'Day

## ■ GIFT BAN LEGISLATION TO BE INTRODUCED IN SENATE ■

**COMMON CAUSE URGES CONGRESS TO PASS**

**LAUTENBERG-WELLSTONE MEASURE**

**BANNING LOBBYISTS FROM PROVIDING GIFTS TO MEMBERS OF CONGRESS**

Common Cause has urged the Senate and House to support legislation to be introduced by Senators Frank Lautenberg (D-NJ) and Paul Wellstone (D-MN) which would prohibit lobbyists and their clients from providing gifts, meals, entertainment, vacation trips and other financial benefits to Members of Congress and staff.

"The Lautenberg-Wellstone proposal is tough legislation that challenges head on the system of special-interest financed perks on Capitol Hill and addresses some of the serious concerns the American people have about the role lobbyists play in Washington," Common Cause President Fred Wertheimer said at a March 3 news conference announcing the Lautenberg-Wellstone measure.

"The proposal's adoption would substantially change the influence-money culture on Capitol Hill that contributes so much to the deep public cynicism in the country today," Wertheimer noted.

In order to effectively clean up the system and change the way business is done in Washington Congress also must enact meaningful campaign finance reform legislation, according to Common Cause.

Senators Lautenberg and Wellstone have announced that they intend to bring the

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gift ban legislation up as a floor amendment in the Senate at some point during the next few weeks.

A summary of the Lautenberg-Wellstone legislation is attached.

"Common Cause greatly appreciates the strong leadership that Senators Lautenberg and Wellstone are providing in moving forward with this critical government integrity measure," Wertheimer said at the March 3 news conference.

"Common Cause also greatly appreciates the strong leadership of Representatives Karen Shepherd (D-UT) and Eric Fingerhut (D-OH) in the House on behalf of comprehensive gift ban legislation," Wertheimer said.

The current House bill, H.R. 823, which has been reported out of a Judiciary subcommittee but has not been acted on by the full House, needs to be substantially strengthened and should be revised to incorporate the key provisions of the Lautenberg-Wellstone measure, according to Common Cause.

A summary of how the provisions of the Lautenberg-Wellstone legislation would strengthen the gift reform provisions of H.R. 823 as reported by the House Judiciary Committee is attached.

In 1993 the Senate adopted a key lobby disclosure amendment offered by Senator Wellstone to the lobby disclosure bill and also passed by a 98-to-1 vote a sense of the Senate resolution offered by Senator Lautenberg committing the Senate to enact gift ban legislation by the end of 1993.

Despite the overwhelming vote for the Lautenberg resolution in 1993, the Senate failed to act on any gift ban legislation last year.

"In offering their gift ban proposal as an amendment on the Senate floor, Senators

-3-

Lautenberg and Wellstone will ensure that the Senate faces up to and acts on this important reform," Wertheimer said.

Quick Senate action on the Lautenberg-Wellstone proposal also could help convince reluctant House Members that the time has come to end the system of lobbyists subsidizing the lifestyles of Members of Congress, Common Cause pointed out.

# # #

## SUMMARY OF THE LAUTENBERG-WELLSTONE AMENDMENT TO BAN LOBBYISTS & OTHERS FROM PROVIDING GIFTS TO MEMBERS OF CONGRESS & THEIR STAFFS

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### GENERAL PROHIBITION ON GIFTS & OTHER BENEFITS FROM LOBBYISTS

Lobbyists and their clients would be prohibited from providing (with business or personal funds) any gift or other benefit to a Member of Congress or congressional employee (including spouses and immediate family members). The ban on clients would apply to gifts paid for by organizations that hire or retain lobbyists or by top officials of such organizations. The ban would also apply to gifts given to organizations maintained or controlled by Members or staff, or given to third parties on behalf of Members, such as charitable contributions.

The Lautenberg-Wellstone amendment would also ban anyone from paying for travel-related expenditures for recreational trips, such as golf, tennis and ski trips. In addition, lobbyists would be prohibited from paying for any recreational activities or entertainment costs for Members and staff while on a permitted trip.

### GIFTS REQUIRED TO BE DISCLOSED

In some limited circumstances, lobbyists and their clients would be allowed to continue to provide certain financial benefits to Members and staff. However, they would have to itemize and disclose these benefits on a Member-by-Member basis.

1. *Certain Permitted Travel-Related Expenditures:* Lobbyists and their clients could provide travel-related expenditures in connection with meetings, speaking engagements, fact-finding trips and similar events but only if the trip was directly related to a Member or staff's official duties and if details about the trip were published in advance in the *Congressional Record*. Such expenditures would also have to be disclosed in the report filed by a lobbyist.

2. *Gifts to Members Motivated by a Personal Friendship:* A lobbyist could provide a gift or other benefit to a Member on the basis of a personal friendship under certain limited circumstances. The personal friendship exemption would not apply to any gift for which the lobbyist obtains a tax deduction or reimbursement (including using an expense account of an employee or client, or charging fees to clients for the purpose of reimbursement for the purchase of gifts). However, any gifts provided to Members on the basis of the personal friendship exemption would have to be disclosed by the lobbyist.

### GIFTS EXEMPT FROM THE BAN & DISCLOSURE

1. *Gifts to Members and staff motivated by a family relationship.*
2. *Gifts to staff motivated by a personal friendship as defined narrowly in the amendment.*

-2-

3. *Items of little intrinsic value such as a greeting card or personalized plaque, certificate or trophy.*
4. *Informational materials such as books and videos.*
5. *Modest refreshments such as coffee, soft drinks or doughnuts offered other than as part of a meal.*
6. *Home state products used for promotional purposes.*
7. *Political contributions otherwise reported to the FEC.*
8. *Honorary degrees.*

### **EXEMPTION FOR FOOD & MATERIALS AT CERTAIN EVENTS**

Clients (but not lobbyists) could provide food and materials to Members and staff at the following types of events:

1. *Broadly attended events:* Conventions, conferences, symposia, receptions and similar events.
2. *Smaller events:* Bona fide meetings of organizations, provided that the value of the food does not exceed \$20.

Neither of these exemptions would apply to expenses for travel or lodging; entertainment collateral to an event; meals other than those in a group setting to which all attendees are invited; a concert, play, motion picture, sporting event or similar public entertainment event; a conference, retreat or similar event for or on behalf of Members and/or staff that is sponsored by an official congressional organization; or an event that is hosted or cohosted with, or in honor of, a Member of Congress or staff.

### **OTHER PROVISIONS**

1. *Notification to Members and staff:* Lobbyists would have to notify recipients of any expenditure required to be disclosed in their lobby reports within three weeks of the expenditure. Lobbyists could not include in their report any item that has been returned within 30 days of receipt.
2. *Penalties:* Violators would be subject to penalties in accordance with S. 349, the Lobbying Disclosure Act, as approved by the Senate, which provides for fines of up to \$200,000 for serious offenses.
3. *Regulations:* The President or his designee would be directed to promulgate final regulations to implement the provisions no later than one year after the date of enactment.
4. *Study:* A study would be conducted after 18 months to evaluate the amendment and to identify any significant problems which may have arisen in its implementation. The study could also include recommendations for statutory changes.
5. *Effective Date:* The amendment would be effective one year after the date of enactment.

## LAUTENBERG-WELLSTONE GIFT REFORM LEGISLATION

### *Strengthening the Gift Reform Provisions in H.R. 823, as reported by the House Judiciary Subcommittee*

---

#### I. TRAVEL

Problem with H.R. 823: Allows lobbyists to continue to pay for Members' travel for golf and tennis vacation trips; allows lobbyists to pay for travel of spouses and others.

##### *Lautenberg-Wellstone:*

- prohibits travel-related reimbursements from anyone for recreational trips such as golf, tennis, skiing and similar trips; prohibits reimbursement from a lobbyist for any other trip that is not publicly disclosed in advance in the Congressional Record; prohibits reimbursements for recreational activities while on those trips that are allowed; prohibits reimbursements for expenses of Members' spouses and family members.*

#### II. MEALS & ENTERTAINMENT

Problem with H.R. 823: Allows executives or other employees of a registered organization which employs or hires a lobbyist to use the organization's money to pay for meals and entertainment for Members and their staffs. For example, a vice president of a corporation registered under the new lobby disclosure law could make undisclosed expenditures of the corporation's funds for meals and entertainment for a Member of Congress and could do so even if the corporation's registered lobbyist took part in the event.

##### *Lautenberg-Wellstone:*

- bans lobbyists and their clients from providing meals and entertainment, with an exemption allowing clients to provide food at broadly attended events or at meetings of organizations subject to a \$20 cap on the cost of food.*

#### III. CHARITABLE CONTRIBUTIONS

Problem with H.R. 823: Does not require disclosure by lobbyists of the recipient organization receiving charitable contributions given on behalf of Members unless that organization is controlled or maintained by a Member.

##### *Lautenberg-Wellstone:*

- prohibits lobbyists from giving charitable contributions to entities maintained or controlled by a Member or to any entity on behalf of a Member; requires lobbyists to disclose any charitable contribution solicited by congressional staff (which is allowed only if the recipient organization is not maintained or controlled by a Member).*

#### **IV. GIFTS GIVEN TO MEMBERS ON BASIS OF PERSONAL FRIENDSHIP**

Problem with H.R. 823: Lobbyists have publicly indicated the personal friendship exemption could be used as a means to continue to provide gifts and other financial benefits to Members and to do so without disclosing them.

##### ***Lautenberg-Wellstone:***

- *clarifies that a gift or other financial benefit given by a lobbyist to a Member or staff does not meet the test for the personal friendship exemption if a lobbyist uses a firm's expense account to pay for the gift or if a lobbyist charges fees to the client for the purpose of compensating him/herself for the cost of an item.*
- *requires disclosure by a lobbyist of any gift or other financial benefit that is given to a Member on the basis of a claim of personal friendship.*

#### **V. OTHER STRENGTHENING CHANGES**

- *prohibits lobbyists from financing congressional retreats or conferences, or events hosted or cohosted by or in honor of Members;*
- *prohibits lobbyists from contributing to the legal defense funds of Members;*
- *prohibits lobbyists and clients from using the funds of a PAC with whom they are affiliated to pay for Members' food and attendance at events.*

1/3 is expected

THE WHITE HOUSE  
WASHINGTON

all info  
re registration  
re gift date  
re work

# Legal Δ Funds

Spends gift bill - ban  
for officers & employees  
of exec branch

file:  
Lobbying  
Reform

201-645-2770

class - allows w/disclosure

Seniors - ban for lobbyists

- trouble in determining

- Registration
- Army bill fits

David N.  
5-5741

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Michael Waldman to Sally Katzen re: Revolving Door and Ethics Issues (1 page)	ca. 1994	P5

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

**COLLECTION:**

Clinton Presidential Records  
Domestic Policy Council  
Bruce Reed (Subject File)  
OA/Box Number: 8428

**FOLDER TITLE:**

Lobbying Reform [2]

rs50

**RESTRICTION CODES**

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]