

**Statement on Federal Campaign Finance Reform
Before the Senate Committee on Rules and Administration
By Robert T. Bennett, Chairman, Ohio Republican Party
April 5, 2000**

Mr. Chairman and members of the Committee, thank you for the opportunity to be here today to offer my views on federal campaign finance reform. As you know, I am not merely an observer of politics, but a full-time state party chairman who is very much affected by federal election law on a daily basis.

Certainly, campaign finance reform is a matter of concern to every state party chairman of both major parties. Among Republicans, we are all aware that one of our own candidates for president, Senator John McCain of Arizona, has been at the forefront of this issue for many years and made it a staple of his recent bid for the Republican nomination, and is also of deep concern to our likely nominee, Governor George W. Bush.

What I hope everyone keeps in mind when discussing this issue is the importance of political parties in this country. Any change in campaign finance laws must in the end strengthen political parties, not weaken them. The news media and many others have demonized the term "soft money." Most people, unfortunately, misunderstand completely what soft money means in regard to political parties. All soft money we receive is, by law, completely regulated. It is the money we raise and spend in support of state and local candidates in strict accordance with state law.

Any legislation which results in banning soft money from political parties would cause the ultimate demise of state parties across the nation. In their place would be only the special interests and lobbyists.

Soft money is in reality non-federal money. The non-federal dollars we receive each year from the RNC are invaluable to our efforts on the local level. The RNC raised \$150 million in 1996, and of that amount, \$48 million was raised in non-federal state regulated dollars. Nearly half of that was transferred to states for direct state and local candidate support and to fund state party building efforts.

I can tell you that in Ohio, roughly 25 percent of the cost of our voter contact program and other party building efforts comes from non-federal money from the RNC. Just as county parties look to the Ohio Republican Party for help in reaching out to voters, we look to the national party for help with the important services we provide.

In Ohio, we are fortunate to have a strong state party. But many state party committees rely on support from the RNC just to keep their doors open and lights on. A ban on non-federal state regulated money could effectively shut down a number of state party organizations.

In addition, a ban on so-called soft money would eliminate virtually all state and local party organizational support from the RNC, eliminating or severely restricting in the process most party-funded generic get-out-the-vote and registration efforts.

Current law bans the use of non-federal state regulated money in federal elections. A complete ban on the ability of party committees to raise and spend any non-federal funds would, in effect, federalize all elections.

A ban on non-federal state regulated funds would cost the RNC 30 percent of its yearly budget. In 1996

alone, this would have amounted to more than \$48 million. Even if the DNC would lose its ability to raise and spend such funds, the ban would not affect the election efforts of its labor allies. In fact, such a ban would increase the influence of special interests.

For instance, under current law, if the RNC wanted to conduct an issue advertising campaign to gain public support for a balanced budget initiative, and wanted to spend \$1 million on the ad campaign this year, it would be allowed to use \$350,000 in non-federal state regulated money. Any special interest, though, like the unions, could spend 100 percent out of unregulated, undisclosed funds for a similar ad campaign attacking the Republican budget plan.

Most importantly, it is only through so-called soft money that that we, as a party, have the necessary funding to engage in things like voter education, get-out-the-vote programs and other efforts at the state and local effort to increase participation in elections and educate voters about the candidates. McCain-Feingold and other similar measures would seriously hamper our ability to do these things, which political parties are uniquely situated to do, and which in fact we are charged with doing.

It is vitally important that political parties remain the essential vehicle to disseminate information to voters and assist party candidates. When that responsibility becomes the domain of the special interests and lobbyists, our democracy is truly in danger.

In Ohio, our main focus – and our main use of soft money -- has been to establish our party organization as a service bureau, both to candidates and to Republican constituents and volunteers. State parties function at their best when they gain their power from the local, grassroots level up, not the other way around. One of our main functions is to recruit new candidates at the local level, building a farm team of new blood in the political process. To me, that is a noble cause. Parties are not special interests. Rather, they are the vehicle by which individuals with a common philosophy of governance can affect the democratic process.

There is no better forum through which the average citizen can have such a dramatic impact as through a political party. We are a fundamental link to informed citizens, and a vast majority of the work we do is simply providing information to voters.

When special interests have the power to choose and back their hand-picked candidates, the power of the people to do so through the established party network will be lost. My fear is that laws aimed at diminishing the power of the parties will by default result in the empowerment of the special interests. We must avoid that at all costs.

Reform is needed. No one will argue that, including me. But if you're looking for meaningful areas of reforming soft money, don't target the parties. The abuse comes from the special interests, the unions, the lobbies. We, as a party, report everything. We, as a party, use soft money for exactly its intended purposes, and its noble purposes....voter education, getting out the vote, and party building functions.

When I testified before this committee four years ago, I noted that any new law or edict that limits a party's ability to communicate with voters is a disservice to democracy. Information is power in a democracy, and we must have faith in our citizenry that more information, not less, will assist them in sorting out the wheat from the chaff when making their choices at the ballot box. My experiences over the last four years have only strengthened my resolve in this regard.

I have always strongly supported campaign finance reform at the state level. But I say again what I said to you four years ago – whatever you do, do it with the conviction that political parties are not part of the problem; they are part of the solution.

Thank you.