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FACT SHEET

Sham Lobbying Reform Bill to be Voted on by the House with No Chance for Meaningful Amendments

Public Citizen Urges House Lawmakers to Defeat the Measure

The U.S. House of Representatives will vote on the “Lobbying Accountability and Transparency Act of 2006” (H.R. 4975) on Wednesday, May 3. The measure is a woefully inadequate response to the most significant ethics and lobbying scandals that have swept Capitol Hill in nearly three decades. Even lobbyists say so. When asked about the significance of the House lobbying reform bill by *The Buffalo News*, Paul Miller, president of the American League of Lobbyists answered: “That little thing?”

In fact, the measure is a ruse that fails to address any of the major problems with congressional ethics and lobbying that have surfaced over the past year. When it comes to lobbying reform, Congress is not up to the task.

H.R. 4975 takes a cynical approach to reforming lobbying disclosure and behavior on Capitol Hill and is opposed by Public Citizen and other reform groups. The bill fails to restrict campaign fundraising activities by lobbyists, fails to ban gifts from lobbyists, fails to curb revolving door abuses, and fails to create an independent oversight and compliance office. It bans privately sponsored travel – but only until after the next election. This legislation not only is inadequate, it makes a mockery of the lobbying reform drive.

To make matters worse, a very restrictive rule has been attached to the bill that prohibits floor consideration of any strengthening amendments, which means that the bill cannot be improved upon when the House considers it on Wednesday. Reps. Chris Shays (R-Conn.), Marty Meehan (D-Mass.) and others have offered a package of strong reforms that are prohibited from consideration because of this rule.

A. SUMMARY OF H.R. 4975

An earlier package of lobbying reforms presented in January by House Speaker Dennis Hastert and Rep. David Dreier (R-Calif.) called for a ban on privately sponsored travel; prohibited gifts from lobbyists, including meals; and doubled the revolving door “cooling-off”

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period from one to two years, during which retiring members of Congress and their staffs could not make direct “lobbying contacts” with their former colleagues.

But on Feb. 5, newly elected House Majority Leader John Boehner (R-Ohio) said on “Fox News Sunday” that “[B]ringing more transparency to this relationship [with lobbyists], I think, is the best way to control it. But taking actions to ban this and ban that, when there’s no appearance of a problem, there’s no foundation of a problem, I think, in fact, does not serve the institution well.” In the end, Boehner’s reluctance for significant reform won out among the Republican conference.

The final legislative proposal speeding through the House does not include any of the earlier reform provisions. Instead, H.R. 4975 proposes the following:

1. Travel

- Temporarily suspends privately sponsored travel for members of Congress and their staffs until after the 2006 elections.
- Permits corporate jets to be used to transport members, reimbursed at first-class airfare rates, but does not permit lobbyists to travel with members on these corporate jets. Lobbyists could, however, attend and participate in the rest of the travel junket.
- Instructs the House ethics committee to develop by Dec. 15 a new ethics policy regarding privately sponsored travel, which would likely emphasize pre-approval of trips by the committee.

2. Gifts

- Gifts to members and their staffs would continue to be permitted under the existing gift limits (\$50 per gift; \$100 per year from any one source).
- Unlike current ethics rules, lobbyists would be required to report to the ethics committee all gifts they give to members and staffs.
- Tickets to sporting events would be valued at face value rather than artificially set below face value, as is currently provided under House gift rules.

3. Revolving Door

- Maintains the current one-year cooling-off period, during which retiring members and their staffs are prohibited from making direct lobbying contacts with their former colleagues. Retiring members and their staffs may conduct all lobbying activities except for making lobbying contacts immediately after leaving public office.
- Requires members to disclose to the ethics committee when they are negotiating future private-sector employment that may pose a conflict of interest; the disclosure must be made within five days of negotiations for compensation. However, members are not required to recuse themselves from official actions involving potential future employers.

4. Disclosure

- Imposes quarterly, rather than semi-annual, reporting deadlines on lobbyists' financial reports.
- Establishes electronic filing and disclosure of lobbyist reports.
- Requires lobbyists to report their campaign contributions to candidates, committees and leadership PACs on lobbyist disclosure reports as well as to the Federal Election Commission.

5. Section 527 Organizations

- Subjects federal section 527 political organizations to the reporting requirements and contribution limits of federal campaign finance law.
- Applies a minimum 50-50 allocation ratio of hard and soft money for section 527 organizations involved in both federal and non-federal election activity, but caps soft money contributions for non-federal activity at \$25,000 per year.
- Repeals current limits on party coordinated expenditures with candidates.

6. Earmarks

- Requires the disclosure of the names of members who sponsor earmarks in appropriations bills and conference reports.
- Allows members to object to and remove specially targeted earmarks that were not disclosed in the original appropriations bills or conference reports under point of order rules.
- By informal agreement, House leaders have pledged to expand the earmarking provision in conference committee to apply to all tax and authorizing bills as well as appropriations bills.

7. Forfeiture of Retirement Benefits

- Cancels retirement benefits for members convicted of a crime related to their official duties in public office.

B. WHAT H.R. 4975 DOES NOT DO

H.R. 4975 does not address the most serious problems that gave rise to the recent spate of lobbying and ethics scandals. Indicted super-lobbyist Jack Abramoff could have done business as usual even if the “reforms” contained in H.R. 4975 had been in existence while he was working.

Several of the most serious problems that have not been addressed by this bill, nor by the Senate bill, include:

1. No meaningful enforcement mechanism is offered.

The legislation leaves in place the failed and discredited system for enforcing House ethics and lobbying rules. The House ethics committee has been missing in action during all the scandals involving unmonitored lobbying activities, travel junkets and unregulated gifts. **Even two years after news of the activities of Abramoff and his allies first came to light, there is no known congressional inquiry into allegations that lawmakers took improper or illegal actions on behalf of lobbyists.** In fact, the House ethics committee didn't even meet in 2005 – during the height of the scandal – and has met in 2006 just twice – once to squabble over its future direction and a second time to secretly approve H.R. 4975 and send it to the floor.

Regardless of the details of the law Congress passes, if no one is watching and no credible mechanism for enforcement exists, there likely will be little compliance with the law.

2. No effective steps are taken to break the corrupting nexus between lobbyists, money and lawmakers.

While H.R. 4975 does require some additional disclosure requirements of contributions by lobbyists, the House bill does nothing to break the lobbyist-money-lawmaker nexus. Unlike state laws in California and Tennessee that prohibit contributions from lobbyists, H.R. 4975 does not impose any new limits on campaign contributions from lobbyists or fundraising done by lobbyists for members. Nor does it place any new limits on the ways lobbyists or their employers provide financial benefits to members, such as hosting fundraising events for members.

Not only does H.R. 4975 fail to slow the flow of money from lobbyists to lawmakers, but it does not even take the simple step of restricting lobbyists from controlling the purse strings of lawmakers. Lobbyists may still serve as treasurers of lawmakers' campaign committees and leadership PACs. The bill no longer even requires disclosure of lobbyist participation in fundraising events or parties honoring members.

3. The temporary travel moratorium is a slap in the face to anyone trying to curb the abuses of congressional travel junkets.

While the bill provides a *temporary* suspension of privately funded trips for lawmakers, it does so in a way that raises deep concerns that these trips will be reinstated as soon as the 2006 congressional elections are over and the incumbents are re-elected. The legislation provides for the House ethics committee to recommend travel rules for members by Dec. 15, 2006, and sets the stage for establishing in future years an ineffective "pre-approval" system by the House ethics committee for members' privately funded trips. This approach would not end the travel abuses that have occurred, even if there was a publicly credible House ethics committee to approve the trips, which there is not. Under this approach, the *temporary* suspension of privately funded trips could end after the November elections without a direct vote on ending the suspension or on adopting travel rules for future years.

H.R. 4975 also allows members and staff to continue to be shuttled on corporate jets to faraway wonders of the world at the low, discounted rate of a first-class ticket (compared to

charter rates). This is one of the business community's favorite means for subsidizing the campaigns and travel of lawmakers with the expectation of receiving something in return.

4. No effort is made to slow the revolving door.

Currently, 43 percent of retiring members of Congress – those who retire for reasons other than death or conviction – spin through the revolving door to become lobbyists. The current “cooling-off” period prohibits former members and staff only from making direct “lobbying contacts” with their former colleagues for one year after leaving public service. They can, and do, engage in all other lobbying activity, including planning lobbying strategy, supervising a team of lobbyists and making lobbying contacts with others in government who were not in the same branch of government or congressional committee. They are prohibited only from picking up the telephone and calling their former colleagues.

H.R. 4975 does not attempt to expand the coverage of the revolving door prohibition to include “lobbying activity” as well as “lobbying contacts.” The bill does not even extend the one-year cooling-off period to two years.

Note: For a chart comparing Senate and House lobbying reform legislation, go to <http://www.cleanupwashington.org/documents/LegCompare.pdf>. For more links to information about lobbying reform, go to <http://www.cleanupwashington.org/lobbying/page.cfm?pageid=24>.

C. HOUSE FLOOR ACTION

H.R. 4975 cleared all the committee hurdles with almost no amendments in just one week. House Republican leaders clearly want fast action on the final bill, most certainly before any further indictments are issued in the widening corruption investigations. They have also closed off any chance for the full House to consider strengthening amendments by attaching a very restrictive closed rule to the bill.

The restrictive rule attached to H.R. 4975 was approved by a near party-line vote of 216-207 on April 27 during a tumultuous floor session. After a discombobulated performance on the House floor in the morning, in which the GOP leadership pulled the lobbying reform rule from the floor 24 minutes after it was introduced because they lacked the votes to pass it, the leaders whipped their colleagues into line by evening in a closed-door emergency session that lasted an hour and a half.

Many moderate House Republicans opposed the rule because the bill did not go far enough in reforming ethics and lobbying practices. For example, Rep. Jeff Flake (R-Ariz.) told *The Washington Post*: “You have one of your members in jail, others being investigated. To still take the position that we don’t need reform – it’s unbelievable.”

Other Republicans, such as Appropriations Committee Chairman Jerry Lewis (R-Calif.), objected that the earmarking provision applied only to the 11 appropriations bills, but not to the tax and authorizing bills of other committees, such as the transportation committee, which produced the “bridge to nowhere” earmark. House Republican leaders worked out a deal with the

appropriators that the earmark provision would be extended to tax and authorizing bills in conference committee.

In the end, all Democrats and only 16 Republicans refused to support the restrictive rule. Republicans voted 216 in favor of the rule and 12 against, with three not voting. No Democrat voted in favor of the rule, while 194 voted against it and seven did not vote. One Independent voted against the rule.

Republicans who voted against the restrictive rule include: Reps. Chris Shays (R-Conn.), Todd Platts (R-Pa.) Jim Ramstad (R- Minn.), former House ethics committee chairman Joel Hefley (R-Colo.), Kenny Hulshof (R-Mo.), a former member of the panel, Jeb Bradley (R-N.H.), Walter Jones (R-N.C.), Jim Kolbe (R-Ariz.), Charles Bass (R-N.H.), Steve Chabot (R-Ohio), Mark Green (R-Wisc.) and James Sensenbrenner (R-Wisc.).

For a complete roll call vote on the restrictive rule, go to:
www.CleanUpWashington.org/documents/vote4975rule.pdf.

The rule prohibits consideration of all but nine amendments among the 73 that were submitted for consideration. None of the amendments advocated by the reform community as strengthening amendments are allowed to be considered on the House floor. In addition, the rule:

- Allows for one hour of debate, equally divided between the majority and minority parties;
- Reinstates the provisions to regulate Section 527 political organizations as political committees subject to federal election contribution limits;
- Repeals current party coordinated expenditure limits; and
- Removes a provision calling for the General Accountability Office to study contingency fees paid to lobbyists who secure earmarks.

Most of the amendments that are allowed for consideration would weaken the already weak bill. The nine permissible amendments are as follows:

Summary of Ordered Amendments (Length of Time Permitted for Debate)

1.) Gohmert (Texas) #29

Strikes the current section 106 that establishes criminal penalties for violations of the law. (10 minutes)

2.) Castle (Del.)/Gerlach (Pa.) #38

Requires that lobbyists be held liable for offering gifts that violate the gift ban. (10 minutes)

3.) Lungren (Calif.)/Miller, George (Calif.)/Hastings (Wa.)/ Berman (Calif.)/Cole (Okla.) #6

Modifies section 301 to allow privately sponsored travel during the temporary moratorium if pre-approved by the ethics committee. (10 minutes)

4.) Sodrel (Ind.)/McGovern (Mass.)/Davis (Ky.) #47

Amends section 502 to add a voluntary ethics training program for members within 100 days of being sworn in to Congress. (10 minutes)

5.) Jackson-Lee (Texas) #53

Modifies the extent to which pensions can be withheld from the spouse and family. (10 minutes)

6.) Gingrey (Ga.) #14

Extends the prohibition on converting campaign dollars for personal use currently applicable to campaign committees to leadership PACs. (10 minutes)

7.) Wolf (Va.) #7 [WITHDRAWN BY WOLF]

Prohibits former ambassadors and CIA station chiefs from acting as an agent of the foreign nation where they were stationed for five years after their service as ambassador or station chief is completed. (10 minutes)

8.) Castle (Del.) #34

Requires that all registered lobbyists (not members of Congress) complete eight hours of ethics training each Congress. (10 minutes)

9.) Flake (Ariz.) #17

Prohibits a person from directly or indirectly, corruptly giving, offering or promising anything of value to any public official with the intent to influence any official act relating to an earmark. Also prohibits a public official from corruptly demanding, seeking, receiving, accepting or agreeing to receive or accept anything of value in return for influence in the performance of an official act relating to an earmark. (10 minutes)

D. CONCLUSION: *Reject H.R. 4975 and Make the House Address Genuine Lobbying Reform*

H.R. 4975 is not real lobbying reform. It fails to address the most fundamental abuses of ethical behavior by lobbyists and members of Congress alike. The bill instead is being used as a vehicle for Republican leaders to claim that have dealt with lobbying abuses while avoiding sweeping changes. Republican leaders are betting that H.R. 4975 will be enough to dodge a voter backlash come November.

This sham reform legislation should be rejected and sent back to the House to be fundamentally rewritten. If the House refuses to deal with corruption and the perception of corruption in Congress, the issue should not be allowed to fade as the election nears.

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