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LOBBYING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006

APRIL 25, 2006.—Ordered to be printed

Mr. SENSENBRENNER, from the Committee on the Judiciary, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 4975]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 4975) to provide greater transparency with respect to lobbying activities, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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THE AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Lobbying Accountability and Transparency Act of 2006".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ENHANCING LOBBYING DISCLOSURE

Sec. 101. Quarterly filing of lobbying disclosure reports.
Sec. 102. Electronic filing of lobbying registrations and disclosure reports.
Sec. 103. Public database of lobbying disclosure information.
Sec. 104. Disclosure by registered lobbyists of past executive branch and congressional employment.
Sec. 105. Disclosure of lobbyist contributions and gifts.
Sec. 106. Increased penalty for failure to comply with lobbying disclosure requirements.
Sec. 107. Requiring lobbyists to file reports on solicitations and transfers of contributions for candidates.
Sec. 108. GAO study of employment contracts of lobbyists.

TITLE II—SLOWING THE REVOLVING DOOR

Sec. 201. Notification of post-employment restrictions.
Sec. 202. Disclosure by Members of the House of Representatives of employment negotiations.
Sec. 203. Wrongfully influencing, on a partisan basis, an entity's employment decisions or practices.

TITLE III—SUSPENSION OF PRIVATELY-FUNDED TRAVEL; CURBING LOBBYIST GIFTS

Sec. 301. Suspension of privately-funded travel.
Sec. 302. Recommendations on gifts and travel.
Sec. 303. Prohibiting registered lobbyists on corporate flights.
Sec. 304. Valuation of tickets to sporting and entertainment events.

TITLE IV—OVERSIGHT OF LOBBYING AND ENFORCEMENT

Sec. 401. Audits of lobbying reports by House Inspector General.
Sec. 402. House Inspector General review and annual reports.

TITLE V—INSTITUTIONAL REFORMS

Sec. 501. Earmarking reform.
Sec. 502. Frequent and comprehensive ethics training.
Sec. 503. Biennial publication of ethics manual.

TITLE VI—REFORM OF SECTION 527 ORGANIZATIONS

Sec. 601. Short title.
Sec. 602. Treatment of section 527 organizations.
Sec. 603. Rules for allocation of expenses between Federal and non-Federal activities.
Sec. 604. Repeal of limit on amount of party expenditures on behalf of candidates in general elections.
Sec. 605. Construction.
Sec. 606. Judicial review.
Sec. 607. Severability.

TITLE VII—FORFEITURE OF RETIREMENT BENEFITS

Sec. 701. Loss of pensions accrued during service as a Member of Congress for abusing the public trust.

TITLE I—ENHANCING LOBBYING DISCLOSURE

SEC. 101. QUARTERLY FILING OF LOBBYING DISCLOSURE REPORTS.

(a) QUARTERLY FILING REQUIRED.—Section 5 of the Lobbying Disclosure Act of 1995 (in this title referred to as the "Act") (2 U.S.C. 1604) is amended—

(1) in subsection (a)—

(A) in the heading, by striking "SEMIANNUAL" and inserting "QUARTERLY";

(B) by striking "45" and inserting "20";

(C) by striking "the semiannual period" and all that follows through "July of each year" and insert "the quarterly period beginning on the first day of January, April, July, and October of each year"; and

(D) by striking "such semiannual period" and insert "such quarterly period"; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "semiannual report" and inserting "quarterly report";

(B) in paragraph (2), by striking "semiannual filing period" and inserting "quarterly period";

(C) in paragraph (3), by striking "semiannual period" and inserting "quarterly period"; and

(D) in paragraph (4), by striking "semiannual filing period" and inserting "quarterly period".

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION.—Section 3(10) of the Act (2 U.S.C. 1602(10)) is amended by striking "six month period" and inserting "3-month period".

(2) REGISTRATION.—Section 4 of the Act (2 U.S.C. 1603) is amended—

(A) in subsection (a)(3)(A), by striking "semiannual period" and inserting "quarterly period"; and

(B) in subsection (b)(3)(A), by striking "semiannual period" and inserting "quarterly period".

(3) ENFORCEMENT.—Section 6(6) of the Act (2 U.S.C. 1605(6)) is amended by striking "semiannual period" and inserting "quarterly period".

(4) ESTIMATES.—Section 15 of the Act (2 U.S.C. 1610) is amended—

(A) in subsection (a)(1), by striking "semiannual period" and inserting "quarterly period"; and

(B) in subsection (b)(1), by striking "semiannual period" and inserting "quarterly period".

(5) DOLLAR AMOUNTS.—

(A) REGISTRATION.—Section 4 of the Act (2 U.S.C. 1603) is amended—

(i) in subsection (a)(3)(A)(i), by striking "$5,000" and inserting "$2,500";

(ii) in subsection (a)(3)(A)(ii), by striking "$20,000" and inserting "$10,000";

(iii) in subsection (b)(3)(A), by striking "$10,000" and inserting "$5,000"; and

(iv) in subsection (b)(4), by striking "$10,000" and inserting "$5,000".

(B) REPORTS.—Section 5(c) of the Act (2 U.S.C. 1604(c)) is amended—

(i) in paragraph (1), by striking "$10,000" and "$20,000" and inserting "$5,000" and "$1,000", respectively; and

(ii) in paragraph (2), by striking "$10,000" both places such term appears and inserting "$5,000".

SEC. 102. ELECTRONIC FILING OF LOBBYING REGISTRATIONS AND DISCLOSURE REPORTS.

(a) REGISTRATIONS.—Section 4 of the Act (2 U.S.C. 1603) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) ELECTRONIC FILING REQUIRED.—A registration required to be filed under this section on or after the date of enactment of the Lobbying Accountability and Transparency Act of 2006 shall be filed in electronic form, in addition to any other form that may be required by the Secretary of the Senate or the Clerk of the House of Representatives. The due date for a registration filed in electronic form shall be no later than the due date for a registration filed in any other form.".

(b) REPORTS.—Section 5 of the Act (2 U.S.C. 1604) is amended by adding at the end the following:

"(d) ELECTRONIC FILING REQUIRED.—

"(1) IN GENERAL.—A report required to be filed under this section shall be filed in electronic form, in addition to any other form that may be required by the Secretary of the Senate or the Clerk of the House of Representatives. The due date for a report filed in electronic form shall be no later than the due date for a report filed in any other form, except as provided in paragraph (2).

"(2) EXTENSION OF TIME TO FILE IN ELECTRONIC FORM.—The Secretary of the Senate or the Clerk of the House of Representatives may establish a later due date for the filing of a report in electronic form by a registrant, if and only if—

"(A) on or before the original due date, the registrant—

"(i) timely files the report in every form required, other than electronic form; and

"(ii) makes a request for such a later due date to the Secretary or the Clerk, as the case may be; and

"(B) the request is supported by good cause shown.".

SEC. 103. PUBLIC DATABASE OF LOBBYING DISCLOSURE INFORMATION.

(a) DATABASE REQUIRED.—Section 6 of the Act (2 U.S.C. 1605) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(9) maintain, and make available to the public over the Internet, without a fee or other access charge, in a searchable, sortable, and downloadable manner, an electronic database that—

"(A) includes the information contained in registrations and reports filed under this Act;

"(B) directly links the information it contains to the information disclosed in reports filed with the Federal Election Commission under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434); and

"(C) is searchable and sortable, at a minimum, by each of the categories of information described in sections 4(b) and 5(b).".

(b) AVAILABILITY OF REPORTS.—Section 6(4) of the Act is amended by inserting before the semicolon the following: "and, in the case of a registration filed in electronic form pursuant to section 4(d) or a report filed in electronic form pursuant to section 5(d), shall make such registration or report (as the case may be) available for public inspection over the Internet not more than 48 hours after the registration or report (as the case may be) is approved as received by the Secretary of the Senate or the Clerk of the House of Representatives (as the case may be)".

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out paragraph (9) of section 6 of the Act, as added by subsection (a) of this section.

SEC. 104. DISCLOSURE BY REGISTERED LOBBYISTS OF PAST EXECUTIVE BRANCH AND CONGRESSIONAL EMPLOYMENT.

Section 4(b)(6) of the Act (2 U.S.C. 1603(b)(6)) is amended by striking "2 years" and inserting "7 years".

SEC. 105. DISCLOSURE OF LOBBYIST CONTRIBUTIONS AND GIFTS.

(a) IN GENERAL.—Section 5(b) of the Act (2 U.S.C. 1604(b)) is amended—

(1) in paragraph (3), by striking "and" after the semicolon;

(2) in paragraph (4), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

"(5) for each registrant (and for any political committee, as defined in 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)), affiliated with the registrant), and for each employee listed as a lobbyist by the registrant under paragraph (2)(C)—

"(A) the name of each Federal candidate or officeholder, and of each leadership PAC, political party committee, or other political committee to whom a contribution was made which is required to be reported to the Federal Election Commission by the recipient, and the date and amount of such contribution; and

"(B) the name of each Federal candidate or officeholder, leadership PAC of such candidate or officeholder, or political party committee for whom a fundraising event was hosted or cohosted (as stated on the official invitation) by the registrant and each employee listed by the registrant as a lobbyist, the date and location of the event, and the total amount raised by the event;

"(6) the date, recipient, and amount of any gift that under the Rules of the House of Representatives counts towards the cumulative annual limit described in such rules and is given to a covered legislative branch official by the registrant or an employee listed as a lobbyist by the registrant under paragraph (2)(C);

"(7) the date, recipient, and amount of funds contributed by the registrant or an employee listed as a lobbyist by the registrant under paragraph (2)(C) —

"(A) to pay the costs of an event the purpose of which is (as stated by the registrant or employee, or in official materials describing the event) to honor or recognize a covered legislative branch official or covered executive branch official;

"(B) to, or on behalf of, an entity that is named for a covered legislative branch official or covered executive branch official, or to a person or entity in recognition of such official;

"(C) to an entity established, financed, maintained, or controlled by a covered legislative branch official or covered executive branch official, or an entity designated by such official; or

"(D) to pay the costs of a meeting, retreat, conference, or substantially similar event held by, or for the benefit of, 1 or more covered legislative branch officials or covered executive branch officials;

except that this paragraph shall not apply to any payment or reimbursement made from funds required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434); and

"(8) the name of each Member of Congress, and each employee of a Member of Congress, with whom any lobbying contact has been made on behalf of the client by the registrant or an employee listed as a lobbyist by the registrant under paragraph (2)(C).".

(b) FACTORS TO BE CONSIDERED TO DETERMINE RELATIONSHIP BETWEEN OFFICIALS AND OTHER ENTITIES.—Section 5 of the Act (2 U.S.C. 1604), as amended by section 102(b) of this Act, is amended by adding at the end the following new subsection:

"(e) FACTORS TO DETERMINE RELATIONSHIP BETWEEN OFFICIALS AND OTHER ENTITIES.—

"(1) IN GENERAL.—In determining under subsection (b)(7)(C) whether a covered legislative branch official or covered executive branch official directly or indirectly established, finances, maintains, or controls an entity, the factors described in paragraph (2) shall be examined in the context of the overall relationship between that covered official and the entity to determine whether the presence of any such factor or factors is evidence that the covered official directly or indirectly established, finances, maintains, or controls the entity.

"(2) FACTORS.—The factors referred to in paragraph (1) include, but are not limited to, the following:

"(A) Whether the covered official, directly or through its agent, owns a controlling interest in the voting stock or securities of the entity.

"(B) Whether the covered official, directly or through its agent, has the authority or ability to direct or participate in the governance of the entity through provisions of constitutions, bylaws, contracts, or other rules, or through formal or informal practices or procedures.

"(C) Whether the covered official, directly or through its agent, has the authority or ability to hire, appoint, demote, or otherwise control the officers or other decisionmaking employees or members of the entity.

"(D) Whether the covered official has a common or overlapping membership with the entity that indicates a formal or ongoing relationship between the covered official and the entity.

"(E) Whether the covered official has common or overlapping officers or employees with the entity that indicates a formal or ongoing relationship between the covered official and the entity.

"(F) Whether the covered official has any members, officers, or employees who were members, officers, or employees of the entity that indicates a formal or ongoing relationship between the covered official and the entity, or that indicates the creation of a successor entity.

"(G) Whether the covered official, directly or through its agent, provides funds or goods in a significant amount or on an ongoing basis to the entity, such as through direct or indirect payments for administrative, fundraising, or other costs.

"(H) Whether the covered official, directly or through its agent, causes or arranges for funds in a significant amount or on an ongoing basis to be provided to the entity.

"(I) Whether the covered official, directly or through its agent, had an active or significant role in the formation of the entity.

"(J) Whether the covered official and the entity have similar patterns of receipts or disbursements that indicate a formal or ongoing relationship between the covered official and the entity.".

(c) CONFORMING AMENDMENT.—Section 3 of the Act (2 U.S.C. 1602) is amended by adding at the end the following new paragraphs:

"(17) GIFT.—The term 'gift' means a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

"(18) LEADERSHIP PAC.—The term 'leadership PAC' means an unauthorized political committee that is established, financed, maintained, and controlled by an individual who is a Federal officeholder or a candidate for Federal office.".

(d) NOTIFICATION OF MEMBERS.—Section 6(2) of the Act (2 U.S.C. 1605(2)) is amended—

(1) by striking "review" and inserting "(A) review";

(2) by inserting "and" after the semicolon at the end; and

(3) by adding at the end the following:

"(B) if a report states (under section 5(b)(8) or otherwise) that a Member of Congress, or an employee of a Member of Congress, was the subject of a lobbying contact, immediately inform that Member or employee (as the case may be) of that report;".

SEC. 106. INCREASED PENALTY FOR FAILURE TO COMPLY WITH LOBBYING DISCLOSURE REQUIREMENTS.

Section 7 of the Act (2 U.S.C. 1606) is amended—

(1) by striking "Whoever" and inserting "(a) CIVIL PENALTY.—Whoever";

(2) by striking "$50,000" and inserting "$100,000"; and

(3) by adding at the end the following:

"(b) CRIMINAL PENALTY.—

"(1) IN GENERAL.—Whoever knowingly and willfully fails to comply with any provision of this Act shall be imprisoned not more than 3 years, or fined under title 18, United States Code, or both.

"(2) CORRUPTLY.—Whoever knowingly, willfully, and corruptly fails to comply with any provision of this Act shall be imprisoned not more than 5 years, or fined under title 18, United States Code, or both.".

SEC. 107. REQUIRING LOBBYISTS TO FILE REPORTS ON SOLICITATIONS AND TRANSFERS OF CONTRIBUTIONS FOR CANDIDATES.

(a) REPORTS REQUIRED.—Section 5 of the Act (2 U.S.C. 1604), as amended by sections 102(b) and 105(b), is amended by adding at the end the following new subsection:

"(f) REPORTS OF SOLICITATIONS AND TRANSFERS OF CONTRIBUTIONS IN FEDERAL ELECTIONS.—

"(1) REPORTS OF SOLICITATIONS AND TRANSFERS REQUIRED.—Any lobbyist registered under section 4 who solicits a contribution for or on behalf of a candidate or political committee from any other person and transmits the contribution to the candidate or political committee, or who transfers any contribution made by any other person to a candidate or political committee, shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives containing—

"(A) the name, address, business telephone number, and principal place of business of the lobbyist, and a general description of the lobbyist's business or activities;

"(B) the name of the person from whom the lobbyist solicited the contribution or from whom the lobbyist transferred the contribution; and

"(C) the identity of the candidate or political committee on whose behalf the contribution was solicited and transmitted or transferred (and, in the case of a political committee which is an authorized committee of a candidate, the identity of the candidate).

"(2) REPORTS OF SERVICE AS OFFICER OF POLITICAL COMMITTEE.—Any lobbyist registered under section 4 who serves as the treasurer of an authorized committee of a candidate for election for Federal office or as the treasurer or chair of any other political committee, shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives containing the position held by the lobbyist and the identity of the candidate and committee involved.

"(3) TIMING OF REPORTS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under section 304(a)(4)(B) of the Federal Election Campaign Act of 1971, except that a report is not required to be filed under this subsection with respect to any month during which the lobbyist did not solicit and transmit or transfer a contribution described in paragraph (1) or serve in a position described in paragraph (2).

"(4) EXCEPTION FOR LOBBYISTS AS CANDIDATES.—In the case of a lobbyist who is a candidate for election for Federal office, paragraph (1) shall not apply to a contribution made to the lobbyist or to an authorized committee of the lobbyist.

"(5) DEFINITIONS.—In this subsection, the terms 'authorized committee', 'candidate', 'election', and 'political committee' have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to solicitations or transfers made on or after the date of enactment of this Act.

SEC. 108. GAO STUDY OF EMPLOYMENT CONTRACTS OF LOBBYISTS.

The Comptroller General of the United States shall conduct a study of employment contracts of lobbyists in order to determine the extent of contingent fee agreements, and shall report the findings of the study to the Committee on the Judiciary of the House of Representatives.

TITLE II—SLOWING THE REVOLVING DOOR

SEC. 201. NOTIFICATION OF POST-EMPLOYMENT RESTRICTIONS.

Section 207(e) of title 18, United States Code, is amended by adding at the end the following new paragraph:

"(8) NOTIFICATION OF POST-EMPLOYMENT RESTRICTIONS.—After a Member of the House of Representatives or an elected officer of the House of Representatives leaves office, or after the termination of employment with the House of Representatives of an employee of the House of Representatives covered under paragraph (2), (3), or (4), the Clerk of the House of Representatives, after consultation with the Committee on Standards of Official Conduct, shall inform the Member, officer, or employee of the beginning and ending date of the prohibitions that apply to the Member, officer, or employee under this subsection, and also inform each office of the House of Representatives with respect to which such prohibitions apply of those dates.".

SEC. 202. DISCLOSURE BY MEMBERS OF THE HOUSE OF REPRESENTATIVES OF EMPLOYMENT NEGOTIATIONS.

The Code of Official Conduct set forth in rule XXIII of the Rules of the House of Representatives is amended by redesignating clause 14 as clause 15 and by inserting after clause 13 the following new clause:

"14. (a) A Member, Delegate, or Resident Commissioner shall file with the Committee on Standards of Official Conduct a statement that he or she is negotiating compensation for prospective employment or has any arrangement concerning prospective employment if a conflict of interest or the appearance of a conflict of interest may exist. Such statement shall be made within 5 days (other than Saturdays, Sundays, or public holidays) after commencing the negotiation for compensation or entering into the arrangement.

"(b) A Member, Delegate, or Resident Commissioner should refrain from voting on any legislative measure pending before the House or any committee thereof if the negotiation described in subparagraph (a) may create a conflict of interest.".

SEC. 203. WRONGFULLY INFLUENCING, ON A PARTISAN BASIS, AN ENTITY'S EMPLOYMENT DECISIONS OR PRACTICES.

The Code of Official Conduct set forth in rule XXIII of the Rules of the House of Representatives (as amended by section 202) is further amended by redesignating clause 15 as clause 16 and by inserting after clause 14 the following new clause:

"15. A Member, Delegate, Resident Commissioner, officer, or employee of the House may not, with the intent to influence on the basis of political party affiliation an employment decision or employment practice of any private or public entity (except for the Congress)—

"(a) take or withhold, or offer or threaten to take or withhold, an official act; or

"(b) influence, or offer or threaten to influence, the official act of another.".

TITLE III—SUSPENSION OF PRIVATELY-FUNDED TRAVEL; CURBING LOBBYIST GIFTS

SEC. 301. SUSPENSION OF PRIVATELY-FUNDED TRAVEL.

Notwithstanding clause 5 of rule XXV of the Rules of the House of Representatives, no Member, Delegate, Resident Commissioner, officer, or employee of the House may accept a gift of travel (including any transportation, lodging, and meals during such travel) from any private source.

SEC. 302. RECOMMENDATIONS FROM THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT ON GIFTS AND TRAVEL.

Not later than December 15, 2006, the Committee on Standards of Official Conduct shall report its recommendations on changes to rule XXV of the Rules of the House of Representatives to the Committee on Rules. In developing such recommendations, the Committee on Standards of Official Conduct shall consider the following:

(1) The ability of the current provisions of rule XXV to protect the House, its Members, officers, and employees, from the appearance of impropriety.

(2) With respect to the allowance for privately-funded travel contained in clause 5(b) of rule XXV—

(A) the degree to which privately-funded travel meets the representational needs of the House, its Members, officers, and employees;

(B) whether certain entities should or should not be permitted to fund the travel of the Members, officers, and employees of the House, what sources of funding may be permissible, and what other individuals may participate in that travel; and

(C) the adequacy of the current system of approval and disclosure of such travel.

(3) With respect to the exceptions to the limitation on the acceptance of gifts contained in clause 5(a)—

(A) the degree to which those exceptions meet the representational and personal needs of the House, its Members, officers, and employees;

(B) the clarity of the limitation and its exceptions; and

(C) the suitability of the current dollar limitations contained in clause 5(a)(1)(B) of such rule, including whether such limitations should be lowered.

SEC. 303. PROHIBITING REGISTERED LOBBYISTS ON CORPORATE FLIGHTS.

The Lobbying Disclosure Act of 1995 is amended by inserting after section 5 the following new section:

"SEC. 5A. PROHIBITING REGISTERED LOBBYISTS ON CORPORATE FLIGHTS.

"If a Representative in, or Delegate or Resident Commissioner to, the Congress, or an officer or employee of the House of Representatives, is a passenger or crew member on a flight of an aircraft that is not licensed by the Federal Aviation Administration to operate for compensation or hire and that is owned or operated by a person who is the client of a lobbyist or a lobbying firm, then such lobbyist may not be a passenger or crew member on that flight.".

SEC. 304. VALUATION OF TICKETS TO SPORTING AND ENTERTAINMENT EVENTS.

Clause 5(a)(2)(A) of rule XXV of the Rules of the House of Representatives is amended by—

(1) inserting "(i)" after "(A)"; and

(2) adding at the end the following:

"(ii) A gift of a ticket to a sporting or entertainment event shall be valued at the face value of the ticket, provided that in the case of a ticket without a face value, the ticket shall be valued at the highest cost of a ticket with a face value for the event.".

TITLE IV—OVERSIGHT OF LOBBYING AND ENFORCEMENT

SEC. 401. AUDITS OF LOBBYING REPORTS BY HOUSE INSPECTOR GENERAL.

(a) ACCESS TO LOBBYING REPORTS.—The Office of Inspector General of the House of Representatives shall have access to all lobbyists' disclosure information received by the Clerk of the House of Representatives under the Lobbying Disclosure Act of 1995 and shall conduct random audits of lobbyists' disclosure information as necessary to ensure compliance with that Act.

(b) REFERRAL AUTHORITY.—The Office of the Inspector General of the House of Representatives may refer potential violations by lobbyists of the Lobbying Disclosure Act of 1995 to the Department of Justice for disciplinary action.

SEC. 402. HOUSE INSPECTOR GENERAL REVIEW AND ANNUAL REPORTS.

(a) ONGOING REVIEW REQUIRED.—The Inspector General of the House of Representatives shall review on an ongoing basis the activities carried out by the Clerk of the House of Representatives under section 6 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1605). The review shall emphasize—

(1) the effectiveness of those activities in securing the compliance by lobbyists with the requirements of that Act; and

(2) whether the Clerk has the resources and authorities needed for effective oversight and enforcement of that Act.

(b) ANNUAL REPORTS.—Not later than December 31 of each year, the Inspector General of the House of Representatives shall submit to the House of Representatives a report on the review required by subsection (a). The report shall include the Inspector General's assessment of the matters required to be emphasized by that subsection and any recommendations of the Inspector General to—

(1) improve the compliance by lobbyists with the requirements of the Lobbying Disclosure Act of 1995; and

(2) provide the Clerk of the House of Representatives with the resources and authorities needed for effective oversight and enforcement of that Act.

TITLE V—INSTITUTIONAL REFORMS

SEC. 501. EARMARKING REFORM.

(a) In the House of Representatives, it shall not be in order to consider—

(1) a general appropriation bill reported by the Committee on Appropriations unless the report includes a list of earmarks in the bill or in the report (and the name of any Member who submitted a request to the Committee on Appropriations for an earmark included in such list); or

(2) a conference report to accompany a general appropriation bill unless the joint explanatory statement prepared by the managers on the part of the House and the managers on the part of the Senate includes a list of earmarks in the conference report or joint statement (and the name of any Member who submitted a request to the Committee on Appropriations for an earmark included in such list) that were—

(A) not committed to the conference committee by either House;

(B) not in the report specified in paragraph (1); and

(C) not in a report of a committee of the Senate on a companion measure.

(b) In the House of Representatives, it shall not be in order to consider a rule or order that waives the application of subsection (a)(2).

(c)(1) A point of order raised under subsection (a) may be based only on the failure of a report of the Committee on Appropriations or joint statement, as the case may be, to include the list required by subsection (a).

(2) As disposition of a point of order under this section, the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order.

(3) The question of consideration under this subsection shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent, but shall otherwise be decided without intervening motion except one that the House adjourn.

(d)(1) For purposes of this section, the term "earmark" means a provision in a bill, joint resolution, or conference report, or language in an accompanying committee report or joint statement of managers, providing a specific amount of discretionary budget authority to a non-Federal entity, if such entity is identified by name.

(2) For purposes of paragraph (1), government-sponsored enterprises, Federal facilities, and Federal lands shall be considered Federal entities.

(3) For purposes of subsection (a), to the extent that the non-Federal entity is a unit of State or local government, an Indian tribe, or a foreign government, the provision or language shall not be considered an earmark unless the provision or language also specifies the specific purpose for which the designated budget authority is to be expended.

SEC. 502. FREQUENT AND COMPREHENSIVE ETHICS TRAINING.

(a) ETHICS TRAINING.—

(1) IN GENERAL.—The Committee on Standards of Official Conduct shall provide ethics training once per Congress to each employee of the House of Representatives, including training on the Code of Official Conduct, related rules of the House of Representatives, and applicable provisions of law.

(2) NEW EMPLOYEES.—A new employee of the House of Representatives shall receive training under this section not later than 30 days after beginning service to the House.

(3) MEMBERS.—While the House of Representatives recognizes that adding qualifications to service as a Member may be unconstitutional, it encourages Members to participate in ethics training.

(b) CERTIFICATION.—Within 30 days of completing required ethics training, each employee of the House of Representatives shall file a certification with the Committee on Standards of Official Conduct that the employee has completed such training and is familiar with the contents of any pertinent publications that are so designated by the committee.

SEC. 503. BIENNIAL PUBLICATION OF ETHICS MANUAL.

Within 120 days after the date of enactment of this Act and during each Congress thereafter, the Committee on Standards of Official Conduct shall publish an up-to-date ethics manual for Members, officers, and employees of the House of Representatives and make such manual available to all such individuals. The committee has a duty to keep all Members, Delegates, the Resident Commissioner, officers, and employees of the House of Representatives apprised of current rulings or advisory opinions when potentially constituting changes to or interpretations of existing policies.

TITLE VI—REFORM OF SECTION 527 ORGANIZATIONS

SEC. 601. SHORT TITLE.

This title may be cited as the "527 Reform Act of 2006".

SEC. 602. TREATMENT OF SECTION 527 ORGANIZATIONS.

(a) DEFINITION OF POLITICAL COMMITTEE.—Section 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)) is amended—

(1) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(2) by adding at the end the following:

"(D) any applicable 527 organization.".

(b) DEFINITION OF APPLICABLE 527 ORGANIZATION.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following new paragraph:

"(27) APPLICABLE 527 ORGANIZATION.—

"(A) IN GENERAL.—For purposes of paragraph (4)(D), the term 'applicable 527 organization' means a committee, club, association, or group of persons that—

"(i) has given notice to the Secretary of the Treasury under section 527(i) of the Internal Revenue Code of 1986 that it is to be treated as an organization described in section 527 of such Code; and

"(ii) is not described in subparagraph (B).

"(B) EXCEPTED ORGANIZATIONS.—A committee, club, association, or other group of persons described in this subparagraph is—

"(i) an organization described in section 527(i)(5) of the Internal Revenue Code of 1986;

"(ii) an organization which is a committee, club, association or other group of persons that is organized, operated, and makes disbursements exclusively for paying expenses described in the last sentence of section 527(e)(2) of the Internal Revenue Code of 1986 or expenses of a newsletter fund described in section 527(g) of such Code;

"(iii) an organization which is a committee, club, association, or other group that consists solely of candidates for State or local office, individuals holding State or local office, or any combination of either, but only if the organization refers only to one or more non-Federal candidates or applicable State or local issues in all of its voter drive activities and does not refer to a Federal candidate or a political party in any of its voter drive activities; or

"(iv) an organization described in subparagraph (C).

"(C) APPLICABLE ORGANIZATION.—For purposes of subparagraph (B)(iv), an organization described in this subparagraph is a committee, club, association, or other group of persons whose election or nomination activities relate exclusively to—

"(i) elections where no candidate for Federal office appears on the ballot; or

"(ii) one or more of the following purposes:

"(I) Influencing the selection, nomination, election, or appointment of one or more candidates to non-Federal offices.

"(II) Influencing one or more applicable State or local issues.

"(III) Influencing the selection, appointment, nomination, or confirmation of one or more individuals to non-elected offices.

"(D) EXCLUSIVITY TEST.—A committee, club, association, or other group of persons shall not be treated as meeting the exclusivity requirement of subparagraph (C) if it makes disbursements aggregating more than $1,000 for any of the following:

"(i) A public communication that promotes, supports, attacks, or opposes a clearly identified candidate for Federal office during the 1-year period ending on the date of the general election for the office sought by the clearly identified candidate (or, if a runoff election is held with respect to such general election, on the date of the runoff election).

"(ii) Any voter drive activity during a calendar year, except that no disbursements for any voter drive activity shall be taken into account under this subparagraph if the committee, club, association, or other group of persons during such calendar year—

"(I) makes disbursements for voter drive activities with respect to elections in only 1 State and complies with all applicable elec-

tion laws of that State, including laws related to registration and reporting requirements and contribution limitations;

"(II) refers to one or more non-Federal candidates or applicable State or local issues in all of its voter drive activities and does not refer to any Federal candidate or any political party in any of its voter drive activities;

"(III) does not have a candidate for Federal office, an individual who holds any Federal office, a national political party, or an agent of any of the foregoing, control or materially participate in the direction of the organization, solicit contributions to the organization (other than funds which are described under clauses (i) and (ii) of section 323(e)(1)(B)), or direct disbursements, in whole or in part, by the organization; and

"(IV) makes no contributions to Federal candidates.

"(E) CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the activity is—

"(i) a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or

"(ii) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue, including a reference that constitutes the endorsement or position itself.

"(F) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a political party if the only reference to the party in the activity is—

"(i) a reference for the purpose of identifying a non-Federal candidate;

"(ii) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

"(iii) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or candidates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.

"(G) APPLICABLE STATE OR LOCAL ISSUE.—For purposes of this paragraph, the term 'applicable State or local issue' means any State or local ballot initiative, State or local referendum, State or local constitutional amendment, State or local bond issue, or other State or local ballot issue.".

(c) DEFINITION OF VOTER DRIVE ACTIVITY.—Section 301 of such Act (2 U.S.C. 431), as amended by subsection (b), is further amended by adding at the end the following new paragraph:

"(28) VOTER DRIVE ACTIVITY.—The term 'voter drive activity' means any of the following activities conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot):

"(A) Voter registration activity.

"(B) Voter identification.

"(C) Get-out-the-vote activity.

"(D) Generic campaign activity.

"(E) Any public communication related to activities described in subparagraphs (A) through (D).

Such term shall not include any activity described in subparagraph (A) or (B) of section 316(b)(2).".

(d) REGULATIONS.—The Federal Election Commission shall promulgate regulations to implement this section not later than 60 days after the date of enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date which is 60 days after the date of enactment of this Act.

SEC. 603. RULES FOR ALLOCATION OF EXPENSES BETWEEN FEDERAL AND NON-FEDERAL ACTIVITIES.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

"SEC. 325. ALLOCATION AND FUNDING RULES FOR CERTAIN EXPENSES RELATING TO FEDERAL AND NON-FEDERAL ACTIVITIES.

"(a) IN GENERAL.—In the case of any disbursements by any political committee that is a separate segregated fund or nonconnected committee for which allocation rules are provided under subsection (b)—

"(1) the disbursements shall be allocated between Federal and non-Federal accounts in accordance with this section and regulations prescribed by the Commission; and

"(2) in the case of disbursements allocated to non-Federal accounts, may be paid only from a qualified non-Federal account.

"(b) COSTS TO BE ALLOCATED AND ALLOCATION RULES.—

"(1) IN GENERAL.—Disbursements by any separate segregated fund or nonconnected committee, other than an organization described in section 323(b)(1), for any of the following categories of activity shall be allocated as follows:

"(A) 100 percent of the expenses for public communications or voter drive activities that refer to one or more clearly identified Federal candidates, but do not refer to any clearly identified non-Federal candidates, shall be paid with funds from a Federal account, without regard to whether the communication refers to a political party.

"(B) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications and voter drive activities that refer to one or more clearly identified candidates for Federal office and one or more clearly identified non-Federal candidates shall be paid with funds from a Federal account, without regard to whether the communication refers to a political party.

"(C) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications or voter drive activities that refer to a political party, but do not refer to any clearly identified Federal or non-Federal candidate, shall be paid with funds from a Federal account, except that this paragraph shall not apply to communications or activities that relate exclusively to elections where no candidate for Federal office appears on the ballot.

"(D) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications or voter drive activities that refer to a political party and refer to one or more clearly identified non-Federal candidates, but do not refer to any clearly identified Federal candidates, shall be paid with funds from a Federal account, except that this paragraph shall not apply to communications or activities that relate exclusively to elections where no candidate for Federal office appears on the ballot.

"(E) Unless otherwise determined by the Commission in its regulations, at least 50 percent of any administrative expenses, including rent, utilities, office supplies, and salaries not attributable to a clearly identified candidate, shall be paid with funds from a Federal account, except that for a separate segregated fund such expenses may be paid instead by its connected organization.

"(F) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the direct costs of a fundraising program or event, including disbursements for solicitation of funds and for planning and administration of actual fundraising events, where Federal and non-Federal funds are collected through such program or event shall be paid with funds from a Federal account, except that for a separate segregated fund such costs may be paid instead by its connected organization. This paragraph shall not apply to any fundraising solicitations or any other activity that constitutes a public communication.

"(2) CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the communication or activity is—

"(A) a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or

"(B) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue (as defined in section 301(27)(G)), including a reference that constitutes the endorsement or position itself.

"(3) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity

shall not be treated as referring to a political party if the only reference to the party in the communication or activity is—

"(A) a reference for the purpose of identifying a non-Federal candidate;

"(B) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

"(C) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or candidates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.

"(c) QUALIFIED NON-FEDERAL ACCOUNT.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified non-Federal account' means an account which consists solely of amounts—

"(A) that, subject to the limitations of paragraphs (2) and (3), are raised by the separate segregated fund or nonconnected committee only from individuals, and

"(B) with respect to which all requirements of Federal, State, or local law (including any law relating to contribution limits) are met.

"(2) LIMITATION ON INDIVIDUAL DONATIONS.—

"(A) IN GENERAL.—A separate segregated fund or nonconnected committee may not accept more than $25,000 in funds for its qualified non-Federal account from any one individual in any calendar year.

"(B) AFFILIATION.—For purposes of this paragraph, all qualified non-Federal accounts of separate segregated funds or nonconnected committees which are directly or indirectly established, financed, maintained, or controlled by the same person or persons shall be treated as one account.

"(3) FUNDRAISING LIMITATION.—

"(A) IN GENERAL.—No donation to a qualified non-Federal account may be solicited, received, directed, transferred, or spent by or in the name of any person described in subsection (a) or (e) of section 323.

"(B) FUNDS NOT TREATED AS SUBJECT TO ACT.—Except as provided in subsection (a)(2) and this subsection, any funds raised for a qualified non-Federal account in accordance with the requirements of this section shall not be considered funds subject to the limitations, prohibitions, and reporting requirements of this Act for any purpose (including for purposes of subsection (a) or (e) of section 323 or subsection (d)(1) of this section).

"(d) DEFINITIONS.—

"(1) FEDERAL ACCOUNT.—The term 'Federal account' means an account which consists solely of contributions subject to the limitations, prohibitions, and reporting requirements of this Act. Nothing in this section or in section 323(b)(2)(B)(iii) shall be construed to infer that a limit other than the limit under section 315(a)(1)(C) applies to contributions to the account.

"(2) NONCONNECTED COMMITTEE.—The term 'nonconnected committee' shall not include a political committee of a political party.

"(3) VOTER DRIVE ACTIVITY.—The term 'voter drive activity' has the meaning given such term in section 301(28).".

(b) REPORTING REQUIREMENTS.—Section 304(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(e)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5); and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) RECEIPTS AND DISBURSEMENTS FROM QUALIFIED NON-FEDERAL ACCOUNTS.—In addition to any other reporting requirement applicable under this Act, a political committee to which section 325(a) applies shall report all receipts and disbursements from a qualified non-Federal account (as defined in section 325(c)).".

(c) REGULATIONS.—The Federal Election Commission shall promulgate regulations to implement the amendments made by this section not later than 180 days after the date of enactment of this Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date which is 180 days after the date of enactment of this Act.

SEC. 604. REPEAL OF LIMIT ON AMOUNT OF PARTY EXPENDITURES ON BEHALF OF CANDIDATES IN GENERAL ELECTIONS.

(a) REPEAL OF LIMIT.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1)—

(A) by striking "(1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee" and inserting "Notwithstanding any other provision of law with respect to limitations on amounts of expenditures or contributions, a national committee",

(B) by striking "the general" and inserting "any", and

(C) by striking "Federal office, subject to the limitations contained in paragraphs (2), (3), and (4) of this subsection" and inserting "Federal office in any amount"; and

(2) by striking paragraphs (2), (3), and (4).

(b) CONFORMING AMENDMENTS.—

(1) INDEXING.—Section 315(c) of such Act (2 U.S.C. 441a(c)) is amended—

(A) in paragraph (1)(B)(i), by striking "(d),"; and

(B) in paragraph (2)(B)(i), by striking "subsections (b) and (d)" and inserting "subsection (b)".

(2) INCREASE IN LIMITS FOR SENATE CANDIDATES FACING WEALTHY OPPONENTS.—Section 315(i) of such Act (2 U.S.C. 441a(i)(1)) is amended—

(A) in paragraph (1)(C)(iii)—

(i) by adding "and" at the end of subclause (I),

(ii) in subclause (II), by striking "; and" and inserting a period, and

(iii) by striking subclause (III);

(B) in paragraph (2)(A) in the matter preceding clause (i), by striking ", and a party committee shall not make any expenditure,";

(C) in paragraph (2)(A)(ii), by striking "and party expenditures previously made"; and

(D) in paragraph (2)(B), by striking "and a party shall not make any expenditure".

(3) INCREASE IN LIMITS FOR HOUSE CANDIDATES FACING WEALTHY OPPONENTS.—Section 315A(a) of such Act (2 U.S.C. 441a—1(a)) is amended—

(A) in paragraph (1)—

(i) by adding "and" at the end of subparagraph (A),

(ii) in subparagraph (B), by striking "; and" and inserting a period, and

(iii) by striking subparagraph (C);

(B) in paragraph (3)(A) in the matter preceding clause (i), by striking ", and a party committee shall not make any expenditure,";

(C) in paragraph (3)(A)(ii), by striking "and party expenditures previously made"; and

(D) in paragraph (3)(B), by striking "and a party shall not make any expenditure".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 2006.

SEC. 605. CONSTRUCTION.

No provision of this title, or amendment made by this title, shall be construed—

(1) as approving, ratifying, or endorsing a regulation promulgated by the Federal Election Commission;

(2) as establishing, modifying, or otherwise affecting the definition of political organization for purposes of the Internal Revenue Code of 1986; or

(3) as affecting the determination of whether a group organized under section 501(c) of the Internal Revenue Code of 1986 is a political committee under section 301(4) of the Federal Election Campaign Act of 1971.

SEC. 606. JUDICIAL REVIEW.

(a) SPECIAL RULES FOR ACTIONS BROUGHT ON CONSTITUTIONAL GROUNDS.—If any action is brought for declaratory or injunctive relief to challenge the constitutionality of any provision of this title or any amendment made by this title, the following rules shall apply:

(1) The action shall be filed in the United States District Court for the District of Columbia and shall be heard by a 3-judge court convened pursuant to section 2284 of title 28, United States Code.

(2) A copy of the complaint shall be delivered promptly to the Clerk of the House of Representatives and the Secretary of the Senate.

(3) A final decision in the action shall be reviewable only by appeal directly to the Supreme Court of the United States. Such appeal shall be taken by the filing of a notice of appeal within 10 days, and the filing of a jurisdictional statement within 30 days, of the entry of the final decision.

(4) It shall be the duty of the United States District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of the action and appeal.

(b) INTERVENTION BY MEMBERS OF CONGRESS.—In any action in which the constitutionality of any provision of this title or any amendment made by this title is raised (including but not limited to an action described in subsection (a)), any Member of the House of Representatives (including a Delegate or Resident Commissioner

to Congress) or Senate shall have the right to intervene either in support of or opposition to the position of a party to the case regarding the constitutionality of the provision or amendment. To avoid duplication of efforts and reduce the burdens placed on the parties to the action, the court in any such action may make such orders as it considers necessary, including orders to require intervenors taking similar positions to file joint papers or to be represented by a single attorney at oral argument.

(c) CHALLENGE BY MEMBERS OF CONGRESS.—Any Member of Congress may bring an action, subject to the special rules described in subsection (a), for declaratory or injunctive relief to challenge the constitutionality of any provision of this title or any amendment made by this title.

(d) APPLICABILITY.—

(1) INITIAL CLAIMS.—With respect to any action initially filed on or before December 31, 2008, the provisions of subsection (a) shall apply with respect to each action described in such subsection.

(2) SUBSEQUENT ACTIONS.—With respect to any action initially filed after December 31, 2008, the provisions of subsection (a) shall not apply to any action described in such subsection unless the person filing such action elects such provisions to apply to the action.

SEC. 607. SEVERABILITY.

If any provision of this title or any amendment made by this title, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this title and the amendments made by this title, and the application of the provisions and amendments to any person or circumstance, shall not be affected by the holding.

TITLE VII—FORFEITURE OF RETIREMENT BENEFITS

SEC. 701. LOSS OF PENSIONS ACCRUED DURING SERVICE AS A MEMBER OF CONGRESS FOR ABUSING THE PUBLIC TRUST.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332 of title 5, United States Code, is amended by adding at the end the following:

"(o)(1) Notwithstanding any other provision of this subchapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken into account for purposes of this subchapter, except that this sentence applies only to service rendered as a Member (irrespective of when rendered). Any such individual (or other person determined under section 8342(c), if applicable) shall be entitled to be paid so much of such individual's lump-sum credit as is attributable to service to which the preceding sentence applies.

"(2)(A) An offense described in this paragraph is any offense described in subparagraph (B) for which the following apply:

"(i) Every act or omission of the individual (referred to in paragraph (1)) that is needed to satisfy the elements of the offense occurs while the individual is a Member.

"(ii) Every act or omission of the individual that is needed to satisfy the elements of the offense directly relates to the performance of the individual's official duties as a Member.

"(iii) The offense is committed after the date of enactment of this subsection.

"(B) An offense described in this subparagraph is only the following, and only to the extent that the offense is a felony under title 18:

"(i) An offense under section 201 of title 18 (bribery of public officials and witnesses).

"(ii) An offense under section 219 of title 18 (officers and employees acting as agents of foreign principals).

"(iii) An offense under section 371 of title 18 (conspiracy to commit offense or to defraud United States) to the extent of any conspiracy to commit an act which constitutes an offense under clause (i) or (ii).

"(3) An individual convicted of an offense described in paragraph (2) shall not, after the date of the final conviction, be eligible to participate in the retirement system under this subchapter or chapter 84 while serving as a Member.

"(4) The Office of Personnel Management shall prescribe any regulations necessary to carry out this subsection. Such regulations shall include—

"(A) provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be limited in a manner similar to that specified in the last sentence of section 8316(b); and

"(B) provisions under which the Office may provide for—

"(i) the payment, to the spouse or children of any individual referred to in the first sentence of paragraph (1), of any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

"(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

"(5) For purposes of this subsection—

"(A) the term 'Member' has the meaning given such term by section 2106, notwithstanding section 8331(2); and

"(B) the term 'child' has the meaning given such term by section 8341.".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8411 of title 5, United States Code, is amended by adding at the end the following:

"(i)(1) Notwithstanding any other provision of this chapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken into account for purposes of this chapter, except that this sentence applies only to service rendered as a Member (irrespective of when rendered). Any such individual (or other person determined under section 8424(d), if applicable) shall be entitled to be paid so much of such individual's lump-sum credit as is attributable to service to which the preceding sentence applies.

"(2) An offense described in this paragraph is any offense described in section 8332(o)(2)(B) for which the following apply:

"(A) Every act or omission of the individual (referred to in paragraph (1)) that is needed to satisfy the elements of the offense occurs while the individual is a Member.

"(B) Every act or omission of the individual that is needed to satisfy the elements of the offense directly relates to the performance of the individual's official duties as a Member.

"(C) The offense is committed after the date of enactment of this subsection.

"(3) An individual finally convicted of an offense described in paragraph (2) shall not, after the date of the conviction, be eligible to participate in the retirement system under this chapter while serving as a Member.

"(4) The Office of Personnel Management shall prescribe any regulations necessary to carry out this subsection. Such regulations shall include—

"(A) provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be limited in a manner similar to that specified in the last sentence of section 8316(b); and

"(B) provisions under which the Office may provide for—

"(i) the payment, to the spouse or children of any individual referred to in the first sentence of paragraph (1), of any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

"(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

"(5) For purposes of this subsection—

"(A) the term 'Member' has the meaning given such term by section 2106, notwithstanding section 8401(20); and

"(B) the term 'child' has the meaning given such term by section 8341.".

PURPOSE AND SUMMARY

H.R. 4975, the "Lobbying Accountability and Transparency Act of 2006," provides for increased disclosure of efforts by paid lobbyists to influence the decision-making process and actions of Federal legislative and executive branch officials while protecting the constitutional right of the people to petition the government for a redress of their grievances. The Act is designed to strengthen public confidence in government by expanding the scope of disclosure under the Lobbying Disclosure Act of 1995. It also creates a more effective and equitable system for administering and enforcing these disclosure requirements.

BACKGROUND AND NEED FOR THE LEGISLATION

The "Lobbying Disclosure Act of 1995" (LDA)[1], was the first substantive reform in the laws governing lobbying disclosure in the 50 years after the Federal Regulation of Lobbying Act became law in 1946. Passage of the LDA was necessary to address a number of serious loopholes in the 1946 Act. Since enactment of the LDA, paid, professional lobbyists are required to disclose relevant financial information regarding their lobbying efforts aimed at Congress and the executive branch, in addition to disclosing what particular issue areas they focus on.

The term "lobbyist" simply refers to someone who seeks to inform government representatives regarding the issues that are important to the constituencies they represent. In fact, the term "lobbyist" was coined early in the nineteenth century simply to refer to people who waited to make their case to officials in the lobby of government buildings or nearby hotels. These lobbyists represented, and continue to represent, every side of every debate. The United States Constitution grants everyone the right to petition their government for a redress of their grievances,[2] and professional political advocates are not excluded from this protection. H.R. 4975, as amended, strikes an appropriate balance that allows lobbyists to engage in lawful activities on behalf of their constituencies while providing for enhanced disclosure and suitable penalties for noncompliance.

The "Lobbying Accountability and Transparency Act of 2006" amends the Lobbying Disclosure Act to provide greater disclosure of these activities in order to enhance the public's confidence and respect in its government. To that end, title I provides for quarterly rather than biannual filing of more detailed lobbying disclosure reports and requires that this information be available to the public on the Internet in a form that can be easily sorted and searched by the average citizen. Title I also requires registered lobbyists to disclose past government employment over the previous 7 years. In addition, this title requires lobbyists to disclose contributions to Federal candidates, leadership and other PACs, and political party committees, and to disclose the recipient and amount of any gift that counts toward the cumulative annual limit of $100 as provided for under House Rules. The legislation also doubles the civil penalty from $50,000 to $100,000 for a failure to comply with these heightened reporting requirements.

H.R. 4975 requires that the Clerk of the House to provide notice to Members and staff of post-employment restrictions and prohibits registered lobbyists from accompanying members on corporate flights. Title IV of the legislation enhances oversight of lobbying and enforcement by requiring the House Inspector General (IG) to conduct random audits of reports filed by lobbyists and authorizes the IG to refer violations to the Department of Justice for prosecution, thus providing an increased vigilance to current enforcement efforts.

A bipartisan manager's amendment offered by Chairman Sensenbrenner and Ranking Member Conyers, which was adopted by the Committee, requires: additional quarterly disclosures by lobbyists,

[1] Pub. L. No. 104–65
[2] U.S. Const. amend. I.

including disclosures of the names of Federal candidates and officeholders, their leadership PACs, or political committees for whom fundraising events are hosted by lobbyists; information regarding payments for events honoring Members; information regarding payments to entities named for Members, and payments to entities established, financed, maintained and controlled by Members as defined under current Federal regulations; and information regarding payments for retreats and conferences for the benefit of Members.

The manager's amendment requires lobbyists to disclose the names of Members of Congress with whom lobbying contacts are made, and it requires the Clerk of the House of Representatives and the Secretary of the Senate to immediately give notice to Members every time a lobbyist files a disclosure listing a contact with the Member. The amendment also provides for criminal penalties for the knowing, willful, and corrupt violations of these provisions.

HEARINGS

The Committee on the Judiciary's Subcommittee on the Constitution held a legislative hearing on H.R. 4975 on April 4, 2006. Testimony was received from: Mr. Kenneth A. Gross, Partner at Skadden, Arps, Slate, Meagher & Flom LLP; Mr. John Graham, President and CEO of the American Society of Association Executives; the Honorable Chellie Pingree, President and CEO of Common Cause; and the Honorable Bradley A. Smith, Professor of Law at Capital University Law School and former Chairman of the Federal Election Commission.

COMMITTEE CONSIDERATION

On April 5, 2006, the Committee met in open session and ordered favorably reported the bill H.R. 4975 as amended by a recorded vote of 18 yeas to 16 nays, a quorum being present.

VOTE OF THE COMMITTEE

In compliance with clause 3(b) of Rule XIII of the Rules of the House of Representatives, the Committee notes that the following roll call votes occurred during the Committee's consideration of H.R. 4975.

1. An amendment was offered by Mr. Van Hollen that would require lobbyists to disclose information regarding any campaign contributions that the lobbyist solicited and transferred from any other person for or on behalf of a candidate or political committee. The amendment passed by a vote of 28 yeas to 4 nays.

ROLLCALL NO. 1

	Ayes	Nays	Present
Mr. Hyde	X		
Mr. Coble	X		
Mr. Smith (Texas)	X		
Mr. Gallegly	X		
Mr. Goodlatte	X		
Mr. Chabot	X		
Mr. Lungren			
Mr. Jenkins	X		
Mr. Cannon		X	
Mr. Bachus			

ROLLCALL NO. 1—Continued

	Ayes	Nays	Present
Mr. Inglis	X		
Mr. Hostettler		X	
Mr. Green	X		
Mr. Keller	X		
Mr. Issa	X		
Mr. Flake			
Mr. Pence			
Mr. Forbes	X		
Mr. King		X	
Mr. Feeney			
Mr. Franks		X	
Mr. Gohmert			
Mr. Conyers	X		
Mr. Berman	X		
Mr. Boucher			
Mr. Nadler	X		
Mr. Scott	X		
Mr. Watt	X		
Ms. Lofgren	X		
Ms. Jackson Lee	X		
Ms. Waters	X		
Mr. Meehan	X		
Mr. Delahunt			
Mr. Wexler	X		
Mr. Weiner	X		
Mr. Schiff	X		
Ms. Sánchez	X		
Mr. Van Hollen	X		
Ms. Wasserman Schultz	X		
Mr. Sensenbrenner, Chairman	X		
Total	28	4	

2. Motion to report H.R. 4975 favorably as amended was agreed to by a vote of 18 yeas to 16 nays.

ROLLCALL NO. 2

	Ayes	Nays	Present
Mr. Hyde	X		
Mr. Coble	X		
Mr. Smith (Texas)	X		
Mr. Gallegly	X		
Mr. Goodlatte	X		
Mr. Chabot	X		
Mr. Lungren	X		
Mr. Jenkins	X		
Mr. Cannon		X	
Mr. Bachus			
Mr. Inglis	X		
Mr. Hostettler	X		
Mr. Green	X		
Mr. Keller	X		
Mr. Issa	X		
Mr. Flake			
Mr. Pence			
Mr. Forbes	X		
Mr. King		X	
Mr. Feeney	X		
Mr. Franks	X		
Mr. Gohmert		X	
Mr. Conyers		X	
Mr. Berman		X	

ROLLCALL NO. 2—Continued

	Ayes	Nays	Present
Mr. Boucher			
Mr. Nadler			
Mr. Scott		X	
Mr. Watt		X	
Ms. Lofgren		X	
Ms. Jackson Lee		X	
Ms. Waters	X		
Mr. Meehan		X	
Mr. Delahunt			
Mr. Wexler		X	
Mr. Weiner		X	
Mr. Schiff		X	
Ms. Sánchez		X	
Mr. Van Hollen		X	
Ms. Wasserman Schultz		X	
Mr. Sensenbrenner, Chairman	X		
Total	18	16	

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of Rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Section 103(c) of H.R. 4975 authorizes the appropriation of such sums as may be necessary to carry out the Clerk's new duties relating to maintaining an Internet database of lobbying disclosure forms.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 4975, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 19, 2006.

Hon. F. JAMES SENSENBRENNER, Jr., *Chairman,*
Committee on the Judiciary,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4975, the "Lobbying Accountability and Transparency Act of 2006."

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Matthew Pickford (for Federal costs), who can be reached at 226–2860, and Craig

Cammarata (for the private-sector impact), who can be reached at 226–2940.

Sincerely,

DONALD B. MARRON,
ACTING DIRECTOR.

Enclosure

cc: Honorable John Conyers, Jr.
Ranking Member

H.R. 4975—Lobbying Accountability and Transparency Act of 2006.

SUMMARY

H.R. 4975 would amend the Lobbying Disclosure Act of 1995 and the Federal Election Campaign Act of 1971. Major provisions of the legislation would expand reporting requirements for lobbyists and Members of Congress, temporarily ban privately funded travel, create additional restrictions on gifts and travel, and require training for Members and staff on ethics issues. The legislation also would eliminate pension benefits for Members convicted of certain offenses. In addition, H.R. 4975 would require certain political organizations involved in Federal election activities to register with the Federal Election Commission (FEC).

CBO estimates that implementing H.R. 4975 would cost about $2 million in fiscal year 2007 and $1 million a year in subsequent years, subject to the availability of appropriated funds. Enacting the bill would increase governmental receipts and direct spending from new violations of campaign finance laws, but CBO estimates that those effects would not be significant.

H.R. 4975 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on State, local, or tribal governments.

H.R. 4975 would impose several private-sector mandates, as defined in UMRA, on the lobbying industry and certain political organizations. Based on information from government sources, CBO estimates that the total direct cost of all of the mandates in the bill would fall below the annual threshold established by UMRA for private-sector mandates ($128 million in 2006, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4975 is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

By Fiscal Year, in Millions of Dollars

	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION [1]					
Estimated Authorization Level	2	1	1	1	1
Estimated Outlays	2	1	1	1	1

1. Enacting the bill could also increase collections from civil and criminal penalties. Such penalties are recorded in the budget as revenues, and criminal penalties may later be spent. CBO estimates any resulting collections and spending would be less than $500,000 a year. The bill also could reduce pensions for certain Members of Congress, but CBO estimates any such savings in direct spending would also be less than $500,000 a year.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2006 and that spending will follow historical patterns for similar activities.

Spending Subject to Appropriation

The legislation would expand reporting requirements for lobbyists and would require the Congress to provide Members and staff with additional training on ethics issues. Based on information from Congressional administrative staff, CBO estimates that Congressional offices and committees would spend about $1 million annually to collect and disseminate newly reported information from lobbyists and to provide the required ethics training.

In addition, H.R. 4975 would require certain political organizations, defined by section 527 of the tax code, to register with the FEC. Based on information from the FEC and subject to the availability of appropriated funds, CBO estimates that implementing the legislation would cost the FEC about $1 million in fiscal year 2007. This cost would cover one-time, computer-related expenses as well as writing new regulations to implement the new provisions of the legislation. In future years, the legislation would increase general administrative costs to the FEC, but we estimate that those additional costs would not be significant.

Revenues and Direct Spending

Enacting H.R. 4975 would likely increase Federal revenues and direct spending as a result of additional civil and criminal penalties for new violations of campaign finance law. Collections of civil penalties are recorded in the budget as revenues. Collections of criminal penalties are recorded in the budget as revenues, deposited in the Crime Victims Fund, and later spent without further appropriation. CBO estimates, however, that any additional revenues that would result from enacting the bill would not be significant because of the relatively small number of cases likely to be involved.

H.R. 4975 also would deny pension benefits (based on periods of elected service) to Members convicted of bribery, acting as foreign agents, or defrauding the Federal Government. CBO estimates that any savings in direct spending as a result of this provision would not be significant because we expect that the number of violations would be small.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4975 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on State, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 4975 would impose several private-sector mandates, as defined in UMRA, on the lobbying industry and certain political organizations. The bill would impose new restrictions on lobbying activities and require lobbyists and lobbying organizations to submit additional reports and disclosures to the Senate Office of Public Records and the Office of the Clerk of the House. The bill also

would require certain 527 organizations to register as political committees with the Federal Election Commission and comply with current regulations on Federal campaign finance. Based on information from government sources, CBO estimates that the total direct cost of all of the mandates in the bill would fall below the annual threshold established by UMRA for private-sector mandates ($128 million in 2006, adjusted annually for inflation).

The bill would impose several new requirements on lobbyists and lobbying organizations. Requirements on lobbyists and lobbying organizations would include but not be limited to:

- Electronic filing of lobbyist registrations and disclosure reports filed with the Secretary of the Senate or the Clerk of the House of Representatives;
- Quarterly, instead of semiannual, filing of lobbying disclosure reports;
- Additional information in registration and disclosure reports including information on contributions to Members, Congressional staff, Federal officers and political entities by lobbyists; any gifts distributed by lobbying entities; and whether or not each registered lobbyist had prior experience as a covered executive or legislative branch official.

As of January 1, 2006, all lobbyists and lobbying organizations must register and file semiannual disclosure reports electronically to the Clerk of the House. However, electronic reporting is still optional for lobbyists and lobbying organizations filing in the Senate. Since all lobbyists must file similar reports to both the Clerk of the House and the Secretary of the Senate, the incremental cost of filing reports electronically to the Senate should be minimal. Generally, because such entities already collect the information requested in the registration and disclosure reports, CBO estimates that the incremental costs associated with the new reporting requirements in the bill would not be substantial relative to UMRA's annual threshold for private-sector mandates.

The bill also would prohibit lobbyists from traveling on an aircraft that is owned by a client and is not licenced by the FAA to operate for compensation if a Member, delegate, resident commissioner, officer or employee of the House is on board. According to government and industry sources, roughly 500 or less of those recorded flights are made each year. That estimate includes Federal officials and staff from both the executive and legislative branches. H.R 4975 would only restrict the travel of a lobbyist with House officials and staff. The bill would not prohibit employees of the client from traveling on such planes with a Member, delegate, resident commissioner, officer or employee of the House. Thus, CBO estimates that the direct costs associated with complying with the mandate would be minimal compared to UMRA's threshold.

The bill would change the definition of a political committee to include certain "527" organizations, as defined by section 527 of the Internal Revenue Code. Those organizations would be required to register as political committees with the FEC and comply with current regulations on Federal campaign finance, including certain limits on contributions and reporting and disclosure requirements. Based on information from the FEC, CBO estimates that the direct costs associated with those requirements would be minimal.

PREVIOUS CBO ESTIMATES

Many of the lobbying reform and campaign finance provisions in the eight pieces of legislation listed below are contained in H.R. 4975. The differences among these bills are reflected in the cost estimates. However, the four versions of H.R. 4975 are very similar, and as such, their estimated costs are nearly identical.

- On April 19, 2006, CBO transmitted a cost estimate for H.R. 4975 as ordered reported by the House Committee on Government Reform on April 6, 2006.
- On April 19, 2006, CBO transmitted a cost estimate for H.R. 4975 as ordered reported by the House Committee on House Administration on April 6, 2006.
- On April 19, 2006, CBO transmitted a cost estimate for H.R. 4975 as ordered reported by the House Committee on Rules, on April 5, 2006.
- On March 7, 2006, CBO transmitted a cost estimate for S. 2349, the Legislative Transparency and Accountability Act of 2006, as ordered reported by the Senate Committee on Rules and Administration on March 1, 2006.
- On March 6, 2006, CBO transmitted a cost estimate for S. 2128, the Lobbying Transparency and Accountability Act of 2006, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on March 3, 2006.
- On July, 13, 2005, CBO transmitted a cost estimate for H.R. 513, the 527 Reform Act of 2005, as ordered reported by the House Committee on Administration on June 29, 2005.
- On July 6, 2005, CBO transmitted a cost estimate for S. 1053, the 527 Reform Act of 2005, as ordered reported by the Senate Committee on Rules and Administration on April 27, 2005.
- On June 17, 2005, CBO transmitted a cost estimate for H.R. 1316, the 527 Fairness Act of 2005, as ordered reported by the House Committee on House Administration on June 8, 2005.

ESTIMATE PREPARED BY:

Federal Costs: Matthew Pickford and Deborah Reis (226–2860)
Impact on State, Local, and Tribal Governments: Sarah Puro (225–3220)
Impact on the Private-Sector: Craig Cammarata (226–2940)

ESTIMATE APPROVED BY:

Peter H. Fontaine
Deputy Assistant Director for Budget Analysis

PERFORMANCE GOALS AND OBJECTIVES

The Committee states that pursuant to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, H.R. 4975 strengthens public confidence in government by expanding the scope of disclosure under the Lobbying Disclosure Act of 1995. It also creates

a more effective and equitable system for administering and enforcing the disclosure requirements.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of Rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in art. I, § 5, cl. 2 and art I, § 8, cl. 3 of the Constitution.

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

The following section describes the provisions of the bill as reported that are within the Committee on the Judiciary's jurisdiction.

TITLE I—ENHANCING LOBBYING DISCLOSURE

Sec. 101. Quarterly filing of lobbying disclosure reports.

Section 101 requires quarterly, rather than semi-annual, filing by registered lobbyists, and adjusts the threshold and triggering amounts in the Lobbying Disclosure Act (LDA) to reflect the new quarterly periods. Section 101 would also reduce the reporting thresholds in 2 U.S.C. § 1604 to $2,500 for lobbying income per quarterly reporting period and $10,000 in lobbying expenses per quarterly reporting period. This section reduces the estimated range in which lobbyist report income or expenses to $1,000.

Sec. 102. Electronic filing of lobbying registrations and disclosure reports.

Section 102 would amend the LDA to require that LDA registrations and reports be filed in electronic form in addition to any other form that may be required by the Clerk of the House of Representatives or the Secretary of the Senate.

Sec. 103. Public database of lobbying disclosure information.

Section 103 would amend the LDA to require creation and maintenance by the Clerk of the House of Representatives and the Secretary of the Senate a searchable, sortable, and downloadable database containing LDA registration and disclosure information, made available through the Internet. The manager's amendment that was adopted by the Committee also requires the Clerk and Secretary to link this database to the public disclosure forms for the registrants on the Federal Election Commission's website.

Sec. 104. Disclosure by registered lobbyists of past executive branch and congressional employment.

Section 104 amends the LDA to require lobbyists to disclose all prior executive and legislative branch employment for the seven years prior to registration in their registration statements.

Sec. 105. Disclosure of lobbyist contributions and gifts.

Section 105 amends the LDA to require lobbyists to disclose any gifts that count toward the annual gift limit established by House Rules (a $100 cumulative limit on gifts from a given source). Section 105(a) also requires each LDA registrant and lobbyist and any affiliated political committee to disclose any contributions made to Federal candidates, officeholders, leadership PACs, political party

committees, or other entities that would be subject to disclosure under the Federal Election Campaign Act.

The amendments adopted at the Committee added new disclosures of the names of Federal candidates and officeholders, their leadership PACs, or political committees for whom fundraising events are hosted by lobbyists. It also required lobbyists to disclose information regarding payments for events honoring Members or to entities named for Members. Section 105, as amended, requires disclosures of payment made to entities established, financed, maintained, or controlled by Members; as well as lobbyist disclosures of payments for retreats and conferences for the benefit of Members. Section 105 adds a new subsection to 2 U.S.C. § 1604 relating to the factors that determine when a Member established, financed, maintained, or controlled an entity. These factors are taken from existing Federal Election Commission regulations.

Finally, Section 105 requires disclosure of the names of Members of Congress and their employees with whom lobbying contacts are made. It also requires the Clerk to notify Members and their employees immediately when their names appear in lobbyists' disclosure reports.

Sec. 106. Increased penalty for failure to comply with lobbying disclosure requirements.

Section 106 raises civil penalties for knowingly failing to file or other violations of the LDA from the $50,000 fine in current law to $100,000. The manager's amendment adopted by the Committee provides for criminal penalties of not more than 3 years in jail for knowing and willfull failures to comply with the LDA, and for not more than 5 years for knowing, willfull, and corrupt failures to comply.

Sec. 107. Requiring lobbyists to file reports on solicitations and transfers of contributions for candidates.

Section 107 requires lobbyists to disclose information regarding any campaign contribution that the lobbyist solicited from any other person for or on behalf of a candidate or political committee, and transferred from another person to a candidate or political committee. Lobbyists who serve as the treasurer of an authorized committee of a candidate or as the treasurer or chair of any other political committee are required to report this information. These disclosures are made separately from the lobbying disclosure reports required under 2 U.S.C. § 1604, and are to be filed monthly.

Sec. 108. GAO Study of employment contracts of lobbyists.

Section 108 requires that the Comptroller General conduct a study of the employment contracts of lobbyists to determine the extent of contingent fee arrangements and report such findings to the House Committee on the Judiciary.

TITLE II—SLOWING THE REVOLVING DOOR

Sec. 201. Notification of post-employment restrictions.

Section 201 amends 18 U.S.C. § 207(e) to require the Clerk of the House to notify departing Members and staff of the current restrictions on post-employment lobbying.

TITLE III—SUSPENSION OF PRIVATELY-FUNDED TRAVEL; CURBING LOBBYIST GIFTS

Sec. 303. Prohibiting registered lobbyists on corporate flights.

Section 303 amends the LDA to prohibit a lobbyist from flying with a House Member or staff on a private aircraft (aircraft not licensed by the Federal Aviation Administration for commercial air travel) if the aircraft is owned or operated by a client of the lobbyist or a lobbying firm.

TITLE IV—OVERSIGHT OF LOBBYING AND ENFORCEMENT

Sec. 401. Audits of lobbying reports by House Inspector General.

Sections 401 requires the Inspector General of the House to audit LDA disclosure information, and gives the Inspector General the authority to refer potential violations of the Act to the Department of Justice.

Sec. 402. House Inspector General review and annual reports.

Section 402 provides for ongoing reviews and annual reports by the Inspector General on activities carried out by the Clerk of the House under the LDA.

TITLE VI—REFORM OF SECTION 527 ORGANIZATIONS

Sec. 606. Judicial review.

Section 606 provides expedited consideration of constitutional challenges to title VI of the bill. Any such action for declaratory or injunctive relief shall be filed in the United States District Court for the District of Columbia, and will be heard by a 3-judge court convened for that purpose. The decision of the district court is appealable only to the United States Supreme Court. Section 606 give standing to Members of Congress to intervene or challenge title VI on their own. These provisions are identical to the ones contained in the Bipartisan Campaign Finance Reform Act of 2002.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

LOBBYING DISCLOSURE ACT OF 1995

* * * * * * *

SEC. 3. DEFINITIONS.

As used in this Act:

(1) * * *

* * * * * * *

(10) LOBBYIST.—The term "lobbyist" means any individual who is employed or retained by a client for financial or other compensation for services that include more than one lobbying contact, other than an individual whose lobbying activities con-

stitute less than 20 percent of the time engaged in the services provided by such individual to that client over a [six month period] *3-month period*.

* * * * * * *

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

(18) LEADERSHIP PAC.—The term "leadership PAC" means an unauthorized political committee that is established, financed, maintained, and controlled by an individual who is a Federal officeholder or a candidate for Federal office.

SEC. 4. REGISTRATION OF LOBBYISTS.

(a) REGISTRATION.—

(1) * * *

* * * * * * *

(3) EXEMPTION.—

(A) GENERAL RULE.—Notwithstanding paragraphs (1) and (2), a person or entity whose—

(i) total income for matters related to lobbying activities on behalf of a particular client (in the case of a lobbying firm) does not exceed and is not expected to exceed [$5,000] *$2,500*; or

(ii) total expenses in connection with lobbying activities (in the case of an organization whose employees engage in lobbying activities on its own behalf) do not exceed or are not expected to exceed [$20,000] *$10,000*,

(as estimated under section 5) in the [semiannual period] *quarterly 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) CONTENTS OF REGISTRATION.—Each registration under this section shall contain—

(1) * * *

* * * * * * *

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

(A) contributes more than [$10,000] *$5,000* toward the lobbying activities of the registrant in a [semiannual period] *quarterly period* described in section 5(a); and

* * * * * * *

(4) the name, address, principal place of business, amount of any contribution of more than [$10,000] *$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) * * *

* * * * * * *

(6) 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] *7* years before the date on which such employee first acted (after the date of enactment of this Act) as a lobbyist on behalf of the client, the position in which such employee served.

* * * * * * *

(d) ELECTRONIC FILING REQUIRED.—A registration required to be filed under this section on or after the date of enactment of the Lobbying Accountability and Transparency Act of 2006 shall be filed in electronic form, in addition to any other form that may be required by the Secretary of the Senate or the Clerk of the House of Representatives. The due date for a registration filed in electronic form shall be no later than the due date for a registration filed in any other form.

[(d)] *(e)* TERMINATION OF REGISTRATION.—A registrant who after registration—

(1) * * *

* * * * * * *

SEC. 5. REPORTS BY REGISTERED LOBBYISTS.

(a) [SEMIANNUAL] *QUARTERLY* Report.—No later than [45] *20* 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] *the quarterly period beginning on the first day of January, April, July, and October of each year* in which a registrant is registered under section 4, each registrant shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives on its lobbying activities during [such semiannual period] *such quarterly period*. A separate report shall be filed for each client of the registrant.

(b) CONTENTS OF REPORT.—Each [semiannual report] *quarterly report* filed under subsection (a) shall contain—

(1) * * *

(2) for each general issue area in which the registrant engaged in lobbying activities on behalf of the client during the [semiannual filing period] *quarterly period*—

(A) * * *

* * * * * * *

(3) in the case of a lobbying firm, 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] *quarterly period*, other than income for matters that are unrelated to lobbying activities; [and]

(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.] *quarterly period;*

(5) for each registrant (and for any political committee, as defined in 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)), affiliated with the registrant), and for each employee listed as a lobbyist by the registrant under paragraph (2)(C)—

(A) the name of each Federal candidate or officeholder, and of each leadership PAC, political party committee, or other political committee to whom a contribution was made which is required to be reported to the Federal Election Commission by the recipient, and the date and amount of such contribution; and

(B) the name of each Federal candidate or officeholder, leadership PAC of such candidate or officeholder, or political party committee for whom a fundraising event was hosted or cohosted (as stated on the official invitation) by the registrant and each employee listed by the registrant as a lobbyist, the date and location of the event, and the total amount raised by the event;

(6) the date, recipient, and amount of any gift that under the Rules of the House of Representatives counts towards the cumulative annual limit described in such rules and is given to a covered legislative branch official by the registrant or an employee listed as a lobbyist by the registrant under paragraph (2)(C);

(7) the date, recipient, and amount of funds contributed by the registrant or an employee listed as a lobbyist by the registrant under paragraph (2)(C) —

(A) to pay the costs of an event the purpose of which is (as stated by the registrant or employee, or in official materials describing the event) to honor or recognize a covered legislative branch official or covered executive branch official;

(B) to, or on behalf of, an entity that is named for a covered legislative branch official or covered executive branch official, or to a person or entity in recognition of such official;

(C) to an entity established, financed, maintained, or controlled by a covered legislative branch official or covered executive branch official, or an entity designated by such official; or

(D) to pay the costs of a meeting, retreat, conference, or substantially similar event held by, or for the benefit of, 1 or more covered legislative branch officials or covered executive branch officials;

except that this paragraph shall not apply to any payment or reimbursement made from funds required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434); and

(8) the name of each Member of Congress, and each employee of a Member of Congress, with whom any lobbying contact has been made on behalf of the client by the registrant or an employee listed as a lobbyist by the registrant under paragraph (2)(C).

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

(1) Estimates of amounts in excess of [$10,000] *$5,000* shall be rounded to the nearest [$20,000] *$1,000*.

(2) In the event income or expenses do not exceed [$10,000] *$5,000*, the registrant shall include a statement that income or expenses totaled less than [$10,000] *$5,000* for the reporting period.

(d) ELECTRONIC FILING REQUIRED.—

(1) IN GENERAL.—A report required to be filed under this section shall be filed in electronic form, in addition to any other form that may be required by the Secretary of the Senate or the Clerk of the House of Representatives. The due date for a report filed in electronic form shall be no later than the due date for a report filed in any other form, except as provided in paragraph (2).

(2) EXTENSION OF TIME TO FILE IN ELECTRONIC FORM.—The Secretary of the Senate or the Clerk of the House of Representatives may establish a later due date for the filing of a report in electronic form by a registrant, if and only if—

(A) on or before the original due date, the registrant—

(i) timely files the report in every form required, other than electronic form; and

(ii) makes a request for such a later due date to the Secretary or the Clerk, as the case may be; and

(B) the request is supported by good cause shown.

(e) FACTORS TO DETERMINE RELATIONSHIP BETWEEN OFFICIALS AND OTHER ENTITIES.—

(1) IN GENERAL.—In determining under subsection (b)(7)(C) whether a covered legislative branch official or covered executive branch official directly or indirectly established, finances, maintains, or controls an entity, the factors described in paragraph (2) shall be examined in the context of the overall relationship between that covered official and the entity to determine whether the presence of any such factor or factors is evidence that the covered official directly or indirectly established, finances, maintains, or controls the entity.

(2) FACTORS.—The factors referred to in paragraph (1) include, but are not limited to, the following:

(A) Whether the covered official, directly or through its agent, owns a controlling interest in the voting stock or securities of the entity.

(B) Whether the covered official, directly or through its agent, has the authority or ability to direct or participate in the governance of the entity through provisions of constitutions, bylaws, contracts, or other rules, or through formal or informal practices or procedures.

(C) Whether the covered official, directly or through its agent, has the authority or ability to hire, appoint, demote, or otherwise control the officers or other decisionmaking employees or members of the entity.

(D) Whether the covered official has a common or overlapping membership with the entity that indicates a formal or ongoing relationship between the covered official and the entity.

(E) Whether the covered official has common or overlapping officers or employees with the entity that indicates a

formal or ongoing relationship between the covered official and the entity.

(F) Whether the covered official has any members, officers, or employees who were members, officers, or employees of the entity that indicates a formal or ongoing relationship between the covered official and the entity, or that indicates the creation of a successor entity.

(G) Whether the covered official, directly or through its agent, provides funds or goods in a significant amount or on an ongoing basis to the entity, such as through direct or indirect payments for administrative, fundraising, or other costs.

(H) Whether the covered official, directly or through its agent, causes or arranges for funds in a significant amount or on an ongoing basis to be provided to the entity.

(I) Whether the covered official, directly or through its agent, had an active or significant role in the formation of the entity.

(J) Whether the covered official and the entity have similar patterns of receipts or disbursements that indicate a formal or ongoing relationship between the covered official and the entity.

(f) REPORTS OF SOLICITATIONS AND TRANSFERS OF CONTRIBUTIONS IN FEDERAL ELECTIONS.—

(1) REPORTS OF SOLICITATIONS AND TRANSFERS REQUIRED.—Any lobbyist registered under section 4 who solicits a contribution for or on behalf of a candidate or political committee from any other person and transmits the contribution to the candidate or political committee, or who transfers any contribution made by any other person to a candidate or political committee, shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives containing—

(A) the name, address, business telephone number, and principal place of business of the lobbyist, and a general description of the lobbyist's business or activities;

(B) the name of the person from whom the lobbyist solicited the contribution or from whom the lobbyist transferred the contribution; and

(C) the identity of the candidate or political committee on whose behalf the contribution was solicited and transmitted or transferred (and, in the case of a political committee which is an authorized committee of a candidate, the identity of the candidate).

(2) REPORTS OF SERVICE AS OFFICER OF POLITICAL COMMITTEE.—Any lobbyist registered under section 4 who serves as the treasurer of an authorized committee of a candidate for election for Federal office or as the treasurer or chair of any other political committee, shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives containing the position held by the lobbyist and the identity of the candidate and committee involved.

(3) TIMING OF REPORTS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under section 304(a)(4)(B) of the Federal Election Campaign Act of 1971, except that a report is not

required to be filed under this subsection with respect to any month during which the lobbyist did not solicit and transmit or transfer a contribution described in paragraph (1) or serve in a position described in paragraph (2).

(4) EXCEPTION FOR LOBBYISTS AS CANDIDATES.—In the case of a lobbyist who is a candidate for election for Federal office, paragraph (1) shall not apply to a contribution made to the lobbyist or to an authorized committee of the lobbyist.

(5) DEFINITIONS.—In this subsection, the terms "authorized committee", "candidate", "election", and "political committee" have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971.

SEC. 5A. PROHIBITING REGISTERED LOBBYISTS ON CORPORATE FLIGHTS.

If a Representative in, or Delegate or Resident Commissioner to, the Congress, or an officer or employee of the House of Representatives, is a passenger or crew member on a flight of an aircraft that is not licensed by the Federal Aviation Administration to operate for compensation or hire and that is owned or operated by a person who is the client of a lobbyist or a lobbying firm, then such lobbyist may not be a passenger or crew member on that flight.

SEC. 6. DISCLOSURE AND ENFORCEMENT.

The Secretary of the Senate and the Clerk of the House of Representatives shall—

(1) * * *

(2) [review] *(A) review*, and, where necessary, verify and inquire to ensure the accuracy, completeness, and timeliness of registration and reports; *and*

(B) if a report states (under section 5(b)(8) or otherwise) that a Member of Congress, or an employee of a Member of Congress, was the subject of a lobbying contact, immediately inform that Member or employee (as the case may be) of that report;

* * * * * * *

(4) make available for public inspection and copying at reasonable times the registrations and reports filed under this Act *and, in the case of a registration filed in electronic form pursuant to section 4(d) or a report filed in electronic form pursuant to section 5(d), shall make such registration or report (as the case may be) available for public inspection over the Internet not more than 48 hours after the registration or report (as the case may be) is approved as received by the Secretary of the Senate or the Clerk of the House of Representatives (as the case may be)*;

* * * * * * *

(6) compile and summarize, with respect to each [semiannual period] *quarterly period*, the information contained in registrations and reports filed with respect to such period in a clear and complete manner;

(7) notify any lobbyist or lobbying firm in writing that may be in noncompliance with this Act; [and]

(8) notify the United States Attorney for the District of Columbia that a lobbyist or lobbying firm may be in noncompliance with this Act, if the registrant has been notified in writ-

ing and has failed to provide an appropriate response within 60 days after notice was given under paragraph (7)[.]*; and*

(9) maintain, and make available to the public over the Internet, without a fee or other access charge, in a searchable, sortable, and downloadable manner, an electronic database that—

(A) includes the information contained in registrations and reports filed under this Act;

(B) directly links the information it contains to the information disclosed in reports filed with the Federal Election Commission under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434); and

(C) is searchable and sortable, at a minimum, by each of the categories of information described in sections 4(b) and 5(b).

SEC. 7. PENALTIES.

[Whoever] *(a) CIVIL PENALTY.—Whoever* knowingly fails to—

(1) remedy a defective filing within 60 days after notice of such a defect by the Secretary of the Senate or the Clerk of the House of Representatives; or

(2) comply with any other provision of this Act;

shall, upon proof of such knowing violation by a preponderance of the evidence, be subject to a civil fine of not more than [$50,000] *$100,000*, depending on the extent and gravity of the violation.

(b) CRIMINAL PENALTY.—

(1) IN GENERAL.—Whoever knowingly and willfully fails to comply with any provision of this Act shall be imprisoned not more than 3 years, or fined under title 18, United States Code, or both.

(2) CORRUPTLY.—Whoever knowingly, willfully, and corruptly fails to comply with any provision of this Act shall be imprisoned not more than 5 years, or fined under title 18, United States Code, or both.

* * * * * * *

SEC. 15. ESTIMATES BASED ON TAX REPORTING SYSTEM.

(a) ENTITIES COVERED BY SECTION 6033(b) OF THE INTERNAL REVENUE CODE OF 1986.—A person, other than a lobbying firm, that is required to report and does report lobbying expenditures pursuant to section 6033(b)(8) of the Internal Revenue Code of 1986 may—

(1) make a good faith estimate (by category of dollar value) of applicable amounts that would be required to be disclosed under such section for the appropriate [semiannual period] *quarterly period* to meet the requirements of sections 4(a)(3) and 5(b)(4); and

* * * * * * *

(b) ENTITIES COVERED BY SECTION 162(e) OF THE INTERNAL REVENUE CODE OF 1986.—A person, other than a lobbying firm, who is required to account and does account for lobbying expenditures pursuant to section 162(e) of the Internal Revenue Code of 1986 may—

(1) make a good faith estimate (by category of dollar value) of applicable amounts that would not be deductible pursuant to such section for the appropriate [semiannual period] *quar-*

terly period to meet the requirements of sections 4(a)(3) and 5(b)(4); and

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SECTION 207 OF TITLE 18, UNITED STATES CODE

§ 207. Restrictions on former officers, employees, and elected officials of the executive and legislative branches

(a) * * *

* * * * * * *

(e) RESTRICTIONS ON MEMBERS OF CONGRESS AND OFFICERS AND EMPLOYEES OF THE LEGISLATIVE BRANCH.—

(1) * * *

* * * * * * *

(8) NOTIFICATION OF POST-EMPLOYMENT RESTRICTIONS.—After a Member of the House of Representatives or an elected officer of the House of Representatives leaves office, or after the termination of employment with the House of Representatives of an employee of the House of Representatives covered under paragraph (2), (3), or (4), the Clerk of the House of Representatives, after consultation with the Committee on Standards of Official Conduct, shall inform the Member, officer, or employee of the beginning and ending date of the prohibitions that apply to the Member, officer, or employee under this subsection, and also inform each office of the House of Representatives with respect to which such prohibitions apply of those dates.

RULES OF THE HOUSE OF REPRESENTATIVES

* * * * * * *

RULE XXIII

CODE OF OFFICIAL CONDUCT

There is hereby established by and for the House the following code of conduct, to be known as the "Code of Official Conduct":

1. * * *

* * * * * * *

14. (a) A Member, Delegate, or Resident Commissioner shall file with the Committee on Standards of Official Conduct a statement that he or she is negotiating compensation for prospective employment or has any arrangement concerning prospective employment if a conflict of interest or the appearance of a conflict of interest may exist. Such statement shall be made within 5 days (other than Saturdays, Sundays, or public holidays) after commencing the negotiation for compensation or entering into the arrangement.

(b) A Member, Delegate, or Resident Commissioner should refrain from voting on any legislative measure pending before the House or any committee thereof if the negotiation described in subparagraph (a) may create a conflict of interest.

15. A Member, Delegate, Resident Commissioner, officer, or employee of the House may not, with the intent to influence on the basis of political party affiliation an employment decision or em-

ployment practice of any private or public entity (except for the Congress)—

(a) take or withhold, or offer or threaten to take or withhold, an official act; or

(b) influence, or offer or threaten to influence, the official act of another.

[14.**]** *16.* (a) In this Code of Official Conduct, the term "officer or employee of the House" means an individual whose compensation is disbursed by the Chief Administrative Officer.

* * * * * * *

RULE XXV

LIMITATIONS ON OUTSIDE EARNED INCOME AND ACCEPTANCE OF GIFTS

Outside earned income; honoraria

1. * * *

* * * * * * *

Gifts

5. (a)(1)(A) * * *

* * * * * * *

(2)(A)*(i)* In this clause the term "gift" means a 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. *(ii) A gift of a ticket to a sporting or entertainment event shall be valued at the face value of the ticket, provided that in the case of a ticket without a face value, the ticket shall be valued at the highest cost of a ticket with a face value for the event.*

* * * * * * *

FEDERAL ELECTION CAMPAIGN ACT OF 1971

* * * * * * *

TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

DEFINITIONS

SEC. 301. When used in this Act:

(1) * * *

* * * * * * *

(4) The term "political committee" means—

(A) * * *

* * * * * * *

(C) any local committee of a political party which receives contributions aggregating in excess of $5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301 (8) and (9)

aggregating in excess of $5,000 during a calendar year, or makes contributions aggregating in excess of $1,000 during a calendar year or makes expenditures aggregating in excess of $1,000 during a calendar year**[**.**]***; or*

(D) any applicable 527 organization.

* * * * * * *

(27) APPLICABLE 527 ORGANIZATION.—

(A) IN GENERAL.—For purposes of paragraph (4)(D), the term "applicable 527 organization" means a committee, club, association, or group of persons that—

(i) has given notice to the Secretary of the Treasury under section 527(i) of the Internal Revenue Code of 1986 that it is to be treated as an organization described in section 527 of such Code; and

(ii) is not described in subparagraph (B).

(B) EXCEPTED ORGANIZATIONS.—A committee, club, association, or other group of persons described in this subparagraph is—

(i) an organization described in section 527(i)(5) of the Internal Revenue Code of 1986;

(ii) an organization which is a committee, club, association or other group of persons that is organized, operated, and makes disbursements exclusively for paying expenses described in the last sentence of section 527(e)(2) of the Internal Revenue Code of 1986 or expenses of a newsletter fund described in section 527(g) of such Code;

(iii) an organization which is a committee, club, association, or other group that consists solely of candidates for State or local office, individuals holding State or local office, or any combination of either, but only if the organization refers only to one or more non-Federal candidates or applicable State or local issues in all of its voter drive activities and does not refer to a Federal candidate or a political party in any of its voter drive activities; or

(iv) an organization described in subparagraph (C).

(C) APPLICABLE ORGANIZATION.—For purposes of subparagraph (B)(iv), an organization described in this subparagraph is a committee, club, association, or other group of persons whose election or nomination activities relate exclusively to—

(i) elections where no candidate for Federal office appears on the ballot; or

(ii) one or more of the following purposes:

(I) Influencing the selection, nomination, election, or appointment of one or more candidates to non-Federal offices.

(II) Influencing one or more applicable State or local issues.

(III) Influencing the selection, appointment, nomination, or confirmation of one or more individuals to non-elected offices.

(D) EXCLUSIVITY TEST.—A committee, club, association, or other group of persons shall not be treated as meeting

the exclusivity requirement of subparagraph (C) if it makes disbursements aggregating more than $1,000 for any of the following:

(i) A public communication that promotes, supports, attacks, or opposes a clearly identified candidate for Federal office during the 1-year period ending on the date of the general election for the office sought by the clearly identified candidate (or, if a runoff election is held with respect to such general election, on the date of the runoff election).

(ii) Any voter drive activity during a calendar year, except that no disbursements for any voter drive activity shall be taken into account under this subparagraph if the committee, club, association, or other group of persons during such calendar year—

(I) makes disbursements for voter drive activities with respect to elections in only 1 State and complies with all applicable election laws of that State, including laws related to registration and reporting requirements and contribution limitations;

(II) refers to one or more non-Federal candidates or applicable State or local issues in all of its voter drive activities and does not refer to any Federal candidate or any political party in any of its voter drive activities;

(III) does not have a candidate for Federal office, an individual who holds any Federal office, a national political party, or an agent of any of the foregoing, control or materially participate in the direction of the organization, solicit contributions to the organization (other than funds which are described under clauses (i) and (ii) of section 323(e)(1)(B)), or direct disbursements, in whole or in part, by the organization; and

(IV) makes no contributions to Federal candidates.

(E) CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the activity is—

(i) a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or

(ii) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue, including a reference that constitutes the endorsement or position itself.

(F) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a political party if the only reference to the party in the activity is—

(i) a reference for the purpose of identifying a non-Federal candidate;

(ii) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

(iii) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or candidates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.

(G) APPLICABLE STATE OR LOCAL ISSUE.—For purposes of this paragraph, the term "applicable State or local issue" means any State or local ballot initiative, State or local referendum, State or local constitutional amendment, State or local bond issue, or other State or local ballot issue.

(28) VOTER DRIVE ACTIVITY.—The term "voter drive activity" means any of the following activities conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot):

(A) Voter registration activity.

(B) Voter identification.

(C) Get-out-the-vote activity.

(D) Generic campaign activity.

(E) Any public communication related to activities described in subparagraphs (A) through (D).

Such term shall not include any activity described in subparagraph (A) or (B) of section 316(b)(2).

REPORTS

SEC. 304. (a) * * *

* * * * * * *

(e) POLITICAL COMMITTEES.—

(1) * * *

* * * * * * *

(3) RECEIPTS AND DISBURSEMENTS FROM QUALIFIED NON-FEDERAL ACCOUNTS.—In addition to any other reporting requirement applicable under this Act, a political committee to which section 325(a) applies shall report all receipts and disbursements from a qualified non-Federal account (as defined in section 325(c)).

[(3)**]** *(4)* ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from or to any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

[(4)**]** *(5)* REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a)(4)(B).

* * * * * * *

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 315. (a) * * *

* * * * * * *

(c)(1)(A) * * *

(B) Except as provided in subparagraph (C), in any calendar year after 2002—

(i) a limitation established by subsections (a)(1)(A), (a)(1)(B), (a)(3), (b), [(d),] or (h) shall be increased by the percent difference determined under subparagraph (A);

* * * * * * *

(2) For purposes of paragraph (1)—

(A) * * *

(B) the term "base period" means—

(i) for purposes of [subsections (b) and (d)] *subsection (b)*, calendar year 1974; and

* * * * * * *

(d)[(1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee] *Notwithstanding any other provision of law with respect to limitations on amounts of expenditures or contributions, a national committee* of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with [the general] *any* election campaign of candidates for [Federal office, subject to the limitations contained in paragraphs (2), (3), and (4) of this subsection] *Federal office in any amount*.

[(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (e)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

[(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

[(A) in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

[(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (e)); or

[(ii) $20,000; and

[(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, $10,000.

[(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

[(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, no committee of the political party may make—

[(i) any coordinated expenditure under this subsection with respect to the candidate during the election cycle at any time after it makes any independent expenditure (as defined in section 301(17)) with respect to the candidate during the election cycle; or

[(ii) any independent expenditure (as defined in section 301(17)) with respect to the candidate during the election cycle at any time after it makes any coordinated expenditure under this subsection with respect to the candidate during the election cycle.

[(B) APPLICATION.—For purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

[(C) TRANSFERS.—A committee of a political party that makes coordinated expenditures under this subsection with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.]

* * * * * * *

(i) INCREASED LIMIT TO ALLOW RESPONSE TO EXPENDITURES FROM PERSONAL FUNDS.—

(1) INCREASE.—

(A) * * *

* * * * * * *

(C) INCREASED LIMIT.—Except as provided in clause (ii), for purposes of subparagraph (A), if the opposition personal funds amount is over—

(i) * * *

* * * * * * *

(iii) 10 times the threshold amount—

(I) the increased limit shall be 6 times the applicable limit; *and*

(II) the limit under subsection (a)(3) shall not apply with respect to any contribution made with respect to a candidate if such contribution is made under the increased limit of subparagraph (A) during a period in which the candidate may accept such a contribution[; and].

[(III) the limits under subsection (d) with respect to any expenditure by a State or national committee of a political party shall not apply.]

* * * * * * *

(2) TIME TO ACCEPT CONTRIBUTIONS UNDER INCREASED LIMIT.—

(A) IN GENERAL.—Subject to subparagraph (B), a candidate and the candidate's authorized committee shall not accept any contribution[, and a party committee shall not make any expenditure,] under the increased limit under paragraph (1)—

(i) * * *

(ii) to the extent that such contribution, when added to the aggregate amount of contributions previously accepted [and party expenditures previously made] under the increased limits under this subsection for the election cycle, exceeds 110 percent of the opposition personal funds amount.

(B) EFFECT OF WITHDRAWAL OF AN OPPOSING CANDIDATE.—A candidate and a candidate's authorized committee shall not accept any contribution [and a party shall not make any expenditure] under the increased limit after the date on which an opposing candidate ceases to be a candidate to the extent that the amount of such increased limit is attributable to such an opposing candidate.

* * * * * * *

MODIFICATION OF CERTAIN LIMITS FOR HOUSE CANDIDATES IN RESPONSE TO PERSONAL FUND EXPENDITURES OF OPPONENTS

SEC. 315A. (a) AVAILABILITY OF INCREASED LIMIT.—

(1) IN GENERAL.—Subject to paragraph (3), if the opposition personal funds amount with respect to a candidate for election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress exceeds $350,000—

(A) the limit under subsection (a)(1)(A) with respect to the candidate shall be tripled; *and*

(B) the limit under subsection (a)(3) shall not apply with respect to any contribution made with respect to the candidate if the contribution is made under the increased limit allowed under subparagraph (A) during a period in which the candidate may accept such a contribution[; and].

[(C) the limits under subsection (d) with respect to any expenditure by a State or national committee of a political party on behalf of the candidate shall not apply.]

* * * * * * *

(3) TIME TO ACCEPT CONTRIBUTIONS UNDER INCREASED LIMIT.—

(A) IN GENERAL.—Subject to subparagraph (B), a candidate and the candidate's authorized committee shall not accept any contribution[, and a party committee shall not make any expenditure,] under the increased limit under paragraph (1)—

(i) * * *

(ii) to the extent that such contribution, when added to the aggregate amount of contributions previously accepted [and party expenditures previously made] under the increased limits under this subsection for

the election cycle, exceeds 100 percent of the opposition personal funds amount.

(B) EFFECT OF WITHDRAWAL OF AN OPPOSING CANDIDATE.—A candidate and a candidate's authorized committee shall not accept any contribution [and a party shall not make any expenditure] under the increased limit after the date on which an opposing candidate ceases to be a candidate to the extent that the amount of such increased limit is attributable to such an opposing candidate.

* * * * * * *

SEC. 325. ALLOCATION AND FUNDING RULES FOR CERTAIN EXPENSES RELATING TO FEDERAL AND NON-FEDERAL ACTIVITIES.

(a) IN GENERAL.—In the case of any disbursements by any political committee that is a separate segregated fund or nonconnected committee for which allocation rules are provided under subsection (b)—

(1) the disbursements shall be allocated between Federal and non-Federal accounts in accordance with this section and regulations prescribed by the Commission; and

(2) in the case of disbursements allocated to non-Federal accounts, may be paid only from a qualified non-Federal account.

(b) COSTS TO BE ALLOCATED AND ALLOCATION RULES.—

(1) IN GENERAL.—Disbursements by any separate segregated fund or nonconnected committee, other than an organization described in section 323(b)(1), for any of the following categories of activity shall be allocated as follows:

(A) 100 percent of the expenses for public communications or voter drive activities that refer to one or more clearly identified Federal candidates, but do not refer to any clearly identified non-Federal candidates, shall be paid with funds from a Federal account, without regard to whether the communication refers to a political party.

(B) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications and voter drive activities that refer to one or more clearly identified candidates for Federal office and one or more clearly identified non-Federal candidates shall be paid with funds from a Federal account, without regard to whether the communication refers to a political party.

(C) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications or voter drive activities that refer to a political party, but do not refer to any clearly identified Federal or non-Federal candidate, shall be paid with funds from a Federal account, except that this paragraph shall not apply to communications or activities that relate exclusively to elections where no candidate for Federal office appears on the ballot.

(D) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications or voter drive activities that refer to a political party and refer to one or more clearly identified non-Federal candidates, but do not refer to any clearly

identified Federal candidates, shall be paid with funds from a Federal account, except that this paragraph shall not apply to communications or activities that relate exclusively to elections where no candidate for Federal office appears on the ballot.

(E) Unless otherwise determined by the Commission in its regulations, at least 50 percent of any administrative expenses, including rent, utilities, office supplies, and salaries not attributable to a clearly identified candidate, shall be paid with funds from a Federal account, except that for a separate segregated fund such expenses may be paid instead by its connected organization.

(F) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the direct costs of a fundraising program or event, including disbursements for solicitation of funds and for planning and administration of actual fundraising events, where Federal and non-Federal funds are collected through such program or event shall be paid with funds from a Federal account, except that for a separate segregated fund such costs may be paid instead by its connected organization. This paragraph shall not apply to any fundraising solicitations or any other activity that constitutes a public communication.

(2) CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the communication or activity is—

(A) a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or

(B) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue (as defined in section 301(27)(G)), including a reference that constitutes the endorsement or position itself.

(3) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity shall not be treated as referring to a political party if the only reference to the party in the communication or activity is—

(A) a reference for the purpose of identifying a non-Federal candidate;

(B) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

(C) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or candidates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.

(c) QUALIFIED NON-FEDERAL ACCOUNT.—

(1) IN GENERAL.—For purposes of this section, the term "qualified non-Federal account" means an account which consists solely of amounts—

(A) that, subject to the limitations of paragraphs (2) and (3), are raised by the separate segregated fund or nonconnected committee only from individuals, and

(B) with respect to which all requirements of Federal, State, or local law (including any law relating to contribution limits) are met.

(2) LIMITATION ON INDIVIDUAL DONATIONS.—

(A) IN GENERAL.—A separate segregated fund or nonconnected committee may not accept more than $25,000 in funds for its qualified non-Federal account from any one individual in any calendar year.

(B) AFFILIATION.—For purposes of this paragraph, all qualified non-Federal accounts of separate segregated funds or nonconnected committees which are directly or indirectly established, financed, maintained, or controlled by the same person or persons shall be treated as one account.

(3) FUNDRAISING LIMITATION.—

(A) IN GENERAL.—No donation to a qualified non-Federal account may be solicited, received, directed, transferred, or spent by or in the name of any person described in subsection (a) or (e) of section 323.

(B) FUNDS NOT TREATED AS SUBJECT TO ACT.—Except as provided in subsection (a)(2) and this subsection, any funds raised for a qualified non-Federal account in accordance with the requirements of this section shall not be considered funds subject to the limitations, prohibitions, and reporting requirements of this Act for any purpose (including for purposes of subsection (a) or (e) of section 323 or subsection (d)(1) of this section).

(d) DEFINITIONS.—

(1) FEDERAL ACCOUNT.—The term "Federal account" means an account which consists solely of contributions subject to the limitations, prohibitions, and reporting requirements of this Act. Nothing in this section or in section 323(b)(2)(B)(iii) shall be construed to infer that a limit other than the limit under section 315(a)(1)(C) applies to contributions to the account.

(2) NONCONNECTED COMMITTEE.—The term "nonconnected committee" shall not include a political committee of a political party.

(3) VOTER DRIVE ACTIVITY.—The term "voter drive activity" has the meaning given such term in section 301(28).

TITLE 5, UNITED STATES CODE

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PART III—EMPLOYEES

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SUBPART G—INSURANCE AND ANNUITIES

* * * * * * *

CHAPTER 83—RETIREMENT

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SUBCHAPTER III—CIVIL SERVICE RETIREMENT

§ 8332. Creditable service

(a) * * *

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(o)(1) Notwithstanding any other provision of this subchapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken into account for purposes of this subchapter, except that this sentence applies only to service rendered as a Member (irrespective of when rendered). Any such individual (or other person determined under section 8342(c), if applicable) shall be entitled to be paid so much of such individual's lump-sum credit as is attributable to service to which the preceding sentence applies.

(2)(A) An offense described in this paragraph is any offense described in subparagraph (B) for which the following apply:

(i) Every act or omission of the individual (referred to in paragraph (1)) that is needed to satisfy the elements of the offense occurs while the individual is a Member.

(ii) Every act or omission of the individual that is needed to satisfy the elements of the offense directly relates to the performance of the individual's official duties as a Member.

(iii) The offense is committed after the date of enactment of this subsection.

(B) An offense described in this subparagraph is only the following, and only to the extent that the offense is a felony under title 18:

(i) An offense under section 201 of title 18 (bribery of public officials and witnesses).

(ii) An offense under section 219 of title 18 (officers and employees acting as agents of foreign principals).

(iii) An offense under section 371 of title 18 (conspiracy to commit offense or to defraud United States) to the extent of any conspiracy to commit an act which constitutes an offense under clause (i) or (ii).

(3) An individual convicted of an offense described in paragraph (2) shall not, after the date of the final conviction, be eligible to participate in the retirement system under this subchapter or chapter 84 while serving as a Member.

(4) The Office of Personnel Management shall prescribe any regulations necessary to carry out this subsection. Such regulations shall include—

(A) provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be limited in a manner similar to that specified in the last sentence of section 8316(b); and

(B) provisions under which the Office may provide for—

(i) the payment, to the spouse or children of any individual referred to in the first sentence of paragraph (1), of any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but

only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

(5) For purposes of this subsection—

(A) the term "Member" has the meaning given such term by section 2106, notwithstanding section 8331(2); and

(B) the term "child" has the meaning given such term by section 8341.

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CHAPTER 84—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

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SUBCHAPTER II—BASIC ANNUITY

§ 8411. Creditable service

(a) * * *

* * * * * * *

(i)(1) Notwithstanding any other provision of this chapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken into account for purposes of this chapter, except that this sentence applies only to service rendered as a Member (irrespective of when rendered). Any such individual (or other person determined under section 8424(d), if applicable) shall be entitled to be paid so much of such individual's lump-sum credit as is attributable to service to which the preceding sentence applies.

(2) An offense described in this paragraph is any offense described in section 8332(o)(2)(B) for which the following apply:

(A) Every act or omission of the individual (referred to in paragraph (1)) that is needed to satisfy the elements of the offense occurs while the individual is a Member.

(B) Every act or omission of the individual that is needed to satisfy the elements of the offense directly relates to the performance of the individual's official duties as a Member.

(C) The offense is committed after the date of enactment of this subsection.

(3) An individual finally convicted of an offense described in paragraph (2) shall not, after the date of the conviction, be eligible to participate in the retirement system under this chapter while serving as a Member.

(4) The Office of Personnel Management shall prescribe any regulations necessary to carry out this subsection. Such regulations shall include—

(A) provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be limited in a manner similar to that specified in the last sentence of section 8316(b); and

(B) provisions under which the Office may provide for—

(i) the payment, to the spouse or children of any individual referred to in the first sentence of paragraph (1), of

any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

(5) For purposes of this subsection—

(A) the term "Member" has the meaning given such term by section 2106, notwithstanding section 8401(20); and

(B) the term "child" has the meaning given such term by section 8341.

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MARKUP TRANSCRIPT

BUSINESS MEETING

WEDNESDAY, APRIL 5, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Committee met, pursuant to notice, at 10:05 a.m., in Room 2141, Rayburn House Office Building, the Honorable F. James Sensenbrenner, Jr. (Chairman of the Committee) presiding.

Chairman SENSENBRENNER. The Committee will be in order. A working quorum is present. I now call up the bill, H.R. 4975, the "Lobbying Accountability and Transparency Act of 2006," for purposes of markup and move its favorable recommendation to the House. Without objection, the bill will be considered as read and open for amendment at any point.

[The bill, H.R. 4975, follows:]

I

109TH CONGRESS
2D SESSION

H. R. 4975

To provide greater transparency with respect to lobbying activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2006

Mr. DREIER (for himself, Mr. HASTERT, Mr. BOEHNER, Mr. BLUNT, Ms. PRYCE of Ohio, Mr. REYNOLDS, Mr. CANTOR, Mr. KINGSTON, Mr. PUTNAM, Mr. EHLERS, Mr. TOM DAVIS of Virginia, and Mr. HASTINGS of Washington) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on House Administration, Rules, Government Reform, and Standards of Official Conduct, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To provide greater transparency with respect to lobbying activities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Lobbying Accountability and Transparency Act of 2006".

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ENHANCING LOBBYING DISCLOSURE

Sec. 101. Quarterly filing of lobbying disclosure reports.
Sec. 102. Electronic filing of lobbying registrations and disclosure reports.
Sec. 103. Public database of lobbying disclosure information.
Sec. 104. Disclosure by registered lobbyists of past executive branch and congressional employment.
Sec. 105. Disclosure of lobbyist contributions and gifts.
Sec. 106. Increased penalty for failure to comply with lobbying disclosure requirements.

TITLE II—SLOWING THE REVOLVING DOOR

Sec. 201. Notification of post-employment restrictions.
Sec. 202. Disclosure by Members of the House of Representatives of employment negotiations.
Sec. 203. Wrongfully influencing, on a partisan basis, an entity's employment decisions or practices.

TITLE III—SUSPENSION OF PRIVATELY-FUNDED TRAVEL; CURBING LOBBYIST GIFTS

Sec. 301. Suspension of privately-funded travel.
Sec. 302. Recommendations on gifts and travel.
Sec. 303. Prohibiting registered lobbyists on corporate flights.
Sec. 304. Valuation of tickets to sporting and entertainment events.

TITLE IV—OVERSIGHT OF LOBBYING AND ENFORCEMENT

Sec. 401. Audits of lobbying reports by House Inspector General.
Sec. 402. House Inspector General review and annual reports.

TITLE V—INSTITUTIONAL REFORMS

Sec. 501. Earmarking reform.
Sec. 502. Frequent and comprehensive ethics training.
Sec. 503. Biennial publication of ethics manual.

TITLE VI—REFORM OF SECTION 527 ORGANIZATIONS

Sec. 601. Short title.
Sec. 602. Treatment of section 527 organizations.
Sec. 603. Rules for allocation of expenses between Federal and non-Federal activities.
Sec. 604. Repeal of limit on amount of party expenditures on behalf of candidates in general elections.
Sec. 605. Construction.
Sec. 606. Judicial review.
Sec. 607. Severability.

TITLE VII—FORFEITURE OF RETIREMENT BENEFITS

Sec. 701. Loss of pensions accrued during service as a Member of Congress for abusing the public trust.

TITLE I—ENHANCING LOBBYING DISCLOSURE

SEC. 101. QUARTERLY FILING OF LOBBYING DISCLOSURE REPORTS.

(a) QUARTERLY FILING REQUIRED.—Section 5 of the Lobbying Disclosure Act of 1995 (in this title referred to as the ''Act'') (2 U.S.C. 1604) is amended—

(1) in subsection (a)—

(A) in the heading, by striking ''SEMIANNUAL'' and inserting ''QUARTERLY'';

(B) by striking ''45'' and inserting ''20'';

(C) by striking ''the semiannual period'' and all that follows through ''July of each year'' and insert ''the quarterly period beginning on the first day of January, April, July, and October of each year''; and

(D) by striking ''such semiannual period'' and insert ''such quarterly period''; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''semiannual report'' and inserting ''quarterly report'';

(B) in paragraph (2), by striking ''semiannual filing period'' and inserting ''quarterly period'';

(C) in paragraph (3), by striking ''semiannual period'' and inserting ''quarterly period''; and

(D) in paragraph (4), by striking ''semiannual filing period'' and inserting ''quarterly period''.

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION.—Section 3(10) of the Act (2 U.S.C. 1602) is amended by striking ''six month period'' and inserting ''3-month period''.

(2) REGISTRATION.—Section 4 of the Act (2 U.S.C. 1603) is amended—

(A) in subsection (a)(3)(A), by striking ''semiannual period'' and inserting ''quarterly period''; and

(B) in subsection (b)(3)(A), by striking ''semiannual period'' and inserting ''quarterly period''.

(3) ENFORCEMENT.—Section 6(6) of the Act (2 U.S.C. 1605(6)) is amended by striking ''semiannual period'' and inserting ''quarterly period''.

(4) ESTIMATES.—Section 15 of the Act (2 U.S.C. 1610) is amended—

(A) in subsection (a)(1), by striking ''semi-annual period'' and inserting ''quarterly period''; and

(B) in subsection (b)(1), by striking ''semi-annual period'' and inserting ''quarterly period''.

(5) DOLLAR AMOUNTS.—

(A) REGISTRATION.—Section 4 of the Act (2 U.S.C. 1603) is amended—

(i) in subsection (a)(3)(A)(i), by striking ''$5,000'' and inserting ''$2,500'';

(ii) in subsection (a)(3)(A)(ii), by striking ''$20,000'' and inserting ''$10,000'';

(iii) in subsection (b)(3)(A), by striking ''$10,000'' and inserting ''$5,000''; and

(iv) in subsection (b)(4), by striking ''$10,000'' and inserting ''$5,000''.

(B) REPORTS.—Section 5 of the Act (2 U.S.C. 1604) is amended—

(i) in subsection (c)(1), by striking ''$10,000'' and ''$20,000'' and inserting ''$5,000'' and ''$10,000'', respectively; and

(ii) in subsection (c)(2), by striking ''$10,000'' both places such term appears and inserting ''$5,000''.

SEC. 102. ELECTRONIC FILING OF LOBBYING REGISTRATIONS AND DISCLOSURE REPORTS.

(a) REGISTRATIONS.—Section 4 of the Act (2 U.S.C. 1603) in amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) ELECTRONIC FILING REQUIRED.—A registration required to be filed under this section on or after the date of enactment of the Lobbying Accountability and Transparency Act of 2006 shall be filed in electronic form, in addition to any other form that may be required by the Secretary of the Senate or the Clerk of the House of Representatives. The due date for a registration filed in electronic form shall be no later than the due date for a registration filed in any other form.''.

(b) REPORTS.—Section 5 of the Act (2 U.S.C. 1604) is amended by adding at the end the following:

"(d) ELECTRONIC FILING REQUIRED.—

"(1) IN GENERAL.—A report required to be filed under this section shall be filed in electronic form, in addition to any other form that may be required by the Secretary of the Senate or the Clerk of the House of Representatives. The due date for a report filed in electronic form shall be no later than the due date for a report filed in any other form, except as provided in paragraph (2).

"(2) EXTENSION OF TIME TO FILE IN ELECTRONIC FORM.—The Secretary of the Senate or the Clerk of the House of Representatives may establish a later due date for the filing of a report in electronic form by a registrant, if and only if—

"(A) on or before the original due date, the registrant—

"(i) timely files the report in every form required, other than electronic form; and

"(ii) makes a request for such a later due date to the Secretary or the Clerk, as the case may be; and

"(B) the request is supported by good cause shown.".

SEC. 103. PUBLIC DATABASE OF LOBBYING DISCLOSURE INFORMATION.

(a) DATABASE REQUIRED.—Section 6 of the Act (2 U.S.C. 1605) is amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(9) maintain, and make available to the public over the Internet, without a fee or other access charge, in a searchable, sortable, and downloadable manner, an electronic database that—

''(A) includes the information contained in registrations and reports filed under this Act; and

''(B) is searchable and sortable, at a minimum, by each of the categories of information described in section 4(b) or 5(b).''.

(b) AVAILABILITY OF REPORTS.—Section 6(4) of the Act is amended by inserting before the semicolon the following: ''and, in the case of a registration filed in electronic form pursuant to section 4(d) or a report filed in electronic form pursuant to section 5(d), shall make such registration or report (as the case may be) available for public inspection over the Internet not more than 48 hours

after the registration or report (as the case may be) is approved as received by the Secretary of the Senate or the Clerk of the House of Representatives (as the case may be)''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out paragraph (9) of section 6 of the Act, as added by subsection (a) of this section.

SEC. 104. DISCLOSURE BY REGISTERED LOBBYISTS OF PAST EXECUTIVE BRANCH AND CONGRESSIONAL EMPLOYMENT.

Section 4(b)(6) of the Act (2 U.S.C. 1603) is amended by striking ''2 years'' and inserting ''7 years''.

SEC. 105. DISCLOSURE OF LOBBYIST CONTRIBUTIONS AND GIFTS.

(a) IN GENERAL.—Section 5(b) of the Act (2 U.S.C. 1604(b)) is amended—

(1) in paragraph (4), by striking ''and'' after the semicolon;

(2) in paragraph (5), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

''(6) for each registrant (and for any political committee, as defined in 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)), affili-

ated with such registrant), and for each employee listed as a lobbyist by a registrant under paragraph (2)(C), the name of each Federal candidate or officeholder, and of each leadership PAC, political party committee, or other political committee to whom a contribution was made which is required to be reported to the Federal Election Commission by the recipient, and the date and amount of such contribution; and

"(7) the date, recipient, and amount of any gift that under the Rules of the House of Representatives counts towards the cumulative annual limit described in such rules and is given by a registrant or employee listed as a lobbyist to a covered legislative branch official.".

(b) CONFORMING AMENDMENT.—Section 3 of the Act (2 U.S.C. 1602) is amended by adding at the end the following new paragraphs:

"(17) GIFT.—The term 'gift' means a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, and meals whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

"(18) LEADERSHIP PAC.—The term 'leadership PAC' means, with respect to an individual holding Federal office, an unauthorized political committee (as defined in the Federal Election Campaign Act of 1971) which is associated with such individual.".

SEC. 106. INCREASED PENALTY FOR FAILURE TO COMPLY WITH LOBBYING DISCLOSURE REQUIREMENTS.

Section 7 of the Act (2 U.S.C. 1606) is amended by striking "$50,000" and inserting "$100,000".

TITLE II—SLOWING THE REVOLVING DOOR

SEC. 201. NOTIFICATION OF POST-EMPLOYMENT RESTRICTIONS.

Section 207(e) of title 18, United States Code, is amended by adding at the end the following new paragraph:

"(8) NOTIFICATION OF POST-EMPLOYMENT RESTRICTIONS.—After a Member of the House of Representatives or an elected officer of the House of Representatives leaves office, or after the termination of employment with the House of Representatives of an employee of the House of Representatives covered under paragraph (2), (3), or (4), the Clerk

of the House of Representatives, after consultation with the Committee on Standards of Official Conduct, shall inform the Member, officer, or employee of the beginning and ending date of the prohibitions that apply to the Member, officer, or employee under this subsection, and also inform each office of the House of Representatives with respect to which such prohibitions apply of those dates.''.

SEC. 202. DISCLOSURE BY MEMBERS OF THE HOUSE OF REPRESENTATIVES OF EMPLOYMENT NEGOTIATIONS.

The Code of Official Conduct set forth in rule XXIII of the Rules of the House of Representatives is amended by redesignating clause 14 as clause 15 and by inserting after clause 13 the following new clause:

''14. (a) A Member, Delegate, or Resident Commissioner shall file with the Committee on Standards of Official Conduct a statement that he or she is negotiating compensation for prospective employment or has any arrangement concerning prospective employment if a conflict of interest or the appearance of a conflict of interest may exist. Such statement shall be made within 5 days (other than Saturdays, Sundays, or public holidays) after commencing the negotiation for compensation or entering into the arrangement.

"(b) A Member, Delegate, or Resident Commissioner should refrain from voting on any legislative measure pending before the House or any committee thereof if the negotiation described in subparagraph (a) may create a conflict of interest.".

SEC. 203. WRONGFULLY INFLUENCING, ON A PARTISAN BASIS, AN ENTITY'S EMPLOYMENT DECISIONS OR PRACTICES.

The Code of Official Conduct set forth in rule XXIII of the Rules of the House of Representatives (as amended by section 202) is further amended by redesignating clause 15 as clause 16 and by inserting after clause 14 the following new clause:

"15. A Member, Delegate, Resident Commissioner, officer, or employee of the House may not, with the intent to influence on the basis of political party affiliation an employment decision or employment practice of any private or public entity (except for the Congress)—

"(a) take or withhold, or offer or threaten to take or withhold, an official act; or

"(b) influence, or offer or threaten to influence, the official act of another.".

TITLE III—SUSPENSION OF PRIVATELY-FUNDED TRAVEL; CURBING LOBBYIST GIFTS

SEC. 301. SUSPENSION OF PRIVATELY-FUNDED TRAVEL.

Notwithstanding clause 5 of rule XXV of the Rules of the House of Representatives, no Member, Delegate, Resident Commissioner, officer, or employee of the House may accept a gift of travel (including any transportation, lodging, and meals during such travel) from any private source.

SEC. 302. RECOMMENDATIONS FROM THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT ON GIFTS AND TRAVEL.

Not later than December 15, 2006, the Committee on Standards of Official Conduct shall report its recommendations on changes to rule XXV of the Rules of the House of Representatives to the Committee on Rules. In developing such recommendations, the Committee on Standards of Official Conduct shall consider the following:

(1) The ability of the current provisions of rule XXV to protect the House, its Members, officers, and employees, from the appearance of impropriety.

(2) With respect to the allowance for privately-funded travel contained in clause 5(b) of rule XXV—

(A) the degree to which privately-funded travel meets the representational needs of the House, its Members, officers, and employees;

(B) whether certain entities should or should not be permitted to fund the travel of the Members, officers, and employees of the House, what sources of funding may be permissible, and what other individuals may participate in that travel; and

(C) the adequacy of the current system of approval and disclosure of such travel.

(3) With respect to the exceptions to the limitation on the acceptance of gifts contained in clause 5(a)—

(A) the degree to which those exceptions meet the representational and personal needs of the House, its Members, officers, and employees;

(B) the clarity of the limitation and its exceptions; and

(C) the suitability of the current dollar limitations contained in clause 5(a)(1)(B) of such rule, including whether such limitations should be lowered.

SEC. 303. PROHIBITING REGISTERED LOBBYISTS ON CORPORATE FLIGHTS.

The Lobbying Disclosure Act of 1995 is amended by inserting after section 5 the following new section:

"SEC. 5A. PROHIBITING REGISTERED LOBBYISTS ON CORPORATE FLIGHTS.

"If a Representative in, or Delegate or Resident Commissioner to, the Congress or an officer or employee of the House of Representatives is a passenger or crew member on a flight of an aircraft not licensed by the Federal Aviation Administration to operate for compensation or hire that is owned or operated by a person who is the client of a lobbyist or a lobbying firm, then such lobbyist may not be a passenger or crew member on that flight.".

SEC. 304. VALUATION OF TICKETS TO SPORTING AND ENTERTAINMENT EVENTS.

Clause 5(a)(2)(A) of rule XXV of the Rules of the House of Representatives is amended by—

(1) inserting "(i)" after "(A)"; and

(2) adding at the end the following:

"(ii) A gift of a ticket to a sporting or entertainment event shall be valued at the face value of the ticket, provided that in the case of a ticket without a face value, the ticket shall be valued at the highest cost of a ticket with a face value for the event.".

TITLE IV—OVERSIGHT OF LOBBYING AND ENFORCEMENT

SEC. 401. AUDITS OF LOBBYING REPORTS BY HOUSE INSPECTOR GENERAL.

(a) ACCESS TO LOBBYING REPORTS.—The Office of Inspector General of the House of Representatives shall have access to all lobbyists' disclosure information received by the Clerk of the House of Representatives under the Lobbying Disclosure Act of 1995 and shall conduct random audits of lobbyists' disclosure information as necessary to ensure compliance with that Act.

(b) REFERRAL AUTHORITY.—The Office of the Inspector General of the House of Representatives may refer potential violations by lobbyists of the Lobbying Disclosure Act of 1995 to the Department of Justice for disciplinary action.

SEC. 402. HOUSE INSPECTOR GENERAL REVIEW AND ANNUAL REPORTS.

(a) ONGOING REVIEW REQUIRED.—The Inspector General of the House of Representatives shall review on an ongoing basis the activities carried out by the Clerk of the House of Representatives under section 6 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1605). The review shall emphasize—

(1) the effectiveness of those activities in securing the compliance by lobbyists with the requirements of that Act; and

(2) whether the Clerk has the resources and authorities needed for effective oversight and enforcement of that Act.

(b) ANNUAL REPORTS.—Not later than December 31 of each year, the Inspector General of the House of Representatives shall submit to the House of Representatives a report on the review required by subsection (a). The report shall include the Inspector General's assessment of the matters required to be emphasized by that subsection and any recommendations of the Inspector General to—

(1) improve the compliance by lobbyists with the requirements of the Lobbying Disclosure Act of 1995; and

(2) provide the Clerk of the House of Representatives with the resources and authorities needed for effective oversight and enforcement of that Act.

TITLE V—INSTITUTIONAL REFORMS

SEC. 501. EARMARKING REFORM.

(a) In the House of Representatives, it shall not be in order to consider—

(1) a general appropriation bill reported by the Committee on Appropriations unless the report includes a list of earmarks in the bill or in the report (and the name of any Member who submitted a request to the Committee on Appropriations for an earmark included in such list); or

(2) a conference report to accompany a general appropriation bill unless the joint explanatory statement prepared by the managers on the part of the House and the managers on the part of the Senate includes a list of earmarks in the conference report or joint statement (and the name of any Member who submitted a request to the Committee on Appropriations for an earmark included in such list) that were—

(A) not committed to the conference committee by either House;

(B) not in the report specified in paragraph (1); and

(C) not in a report of a committee of the Senate on a companion measure.

(b) In the House of Representatives, it shall not be in order to consider a rule or order that waives the application of subsection (a)(2).

(c)(1) A point of order raised under subsection (a) may be based only on the failure of a report of the Committee on Appropriations or joint statement, as the case may be, to include the list required by subsection (a).

(2) As disposition of a point of order under this section, the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order.

(3) The question of consideration under this subsection shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent, but shall otherwise be decided without intervening motion except one that the House adjourn.

(d)(1) For purposes of this section, the term ''earmark'' means a provision in a bill, joint resolution, or conference report, or language in an accompanying committee report or joint statement of managers, providing a specific amount of discretionary budget authority to a non-Federal entity, if such entity is identified by name.

(2) For purposes of paragraph (1), government-sponsored enterprises, Federal facilities, and Federal lands shall be considered Federal entities.

(3) For purposes of subsection (a), to the extent that the non-Federal entity is a unit of State or local government, an Indian tribe, or a foreign government, the provi-

sion or language shall not be considered an earmark unless the provision or language also specifies the specific purpose for which the designated budget authority is to be expended.

SEC. 502. FREQUENT AND COMPREHENSIVE ETHICS TRAINING.

(a) ETHICS TRAINING.—

(1) IN GENERAL.—The Committee on Standards of Official Conduct shall provide ethics training once per Congress to each employee of the House of Representatives, including training on the Code of Official Conduct, related rules of the House of Representatives, and applicable provisions of law.

(2) NEW EMPLOYEES.—A new employee of the House of Representatives shall receive training under this section not later than 30 days after beginning service to the House.

(3) MEMBERS.—While the House of Representatives recognizes that adding qualifications to service as a Member may be unconstitutional, it encourages Members to participate in ethics training.

(b) CERTIFICATION.—Within 30 days of completing required ethics training, each employee of the House of Representatives shall file a certification with the Committee on Standards of Official Conduct that the employee

has completed such training and is familiar with the contents of any pertinent publications that are so designated by the committee.

SEC. 503. BIENNIAL PUBLICATION OF ETHICS MANUAL.

Within 120 days after the date of enactment of this Act and during each Congress thereafter, the Committee on Standards of Official Conduct shall publish an up-to-date ethics manual for Members, officers, and employees of the House of Representatives and make such manual available to all such individuals. The committee has a duty to keep all Members, Delegates, the Resident Commissioner, officers, and employees of the House of Representatives apprised of current rulings or advisory opinions when potentially constituting changes to or interpretations of existing policies.

TITLE VI—REFORM OF SECTION 527 ORGANIZATIONS

SEC. 601. SHORT TITLE.

This title may be cited as the ''527 Reform Act of 2006''.

SEC. 602. TREATMENT OF SECTION 527 ORGANIZATIONS.

(a) DEFINITION OF POLITICAL COMMITTEE.—Section 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)) is amended—

(1) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(2) by adding at the end the following:

"(D) any applicable 527 organization.".

(b) DEFINITION OF APPLICABLE 527 ORGANIZATION.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following new paragraph:

"(27) APPLICABLE 527 ORGANIZATION.—

"(A) IN GENERAL.—For purposes of paragraph (4)(D), the term 'applicable 527 organization' means a committee, club, association, or group of persons that—

"(i) has given notice to the Secretary of the Treasury under section 527(i) of the Internal Revenue Code of 1986 that it is to be treated as an organization described in section 527 of such Code; and

"(ii) is not described in subparagraph (B).

"(B) EXCEPTED ORGANIZATIONS.—A committee, club, association, or other group of persons described in this subparagraph is—

"(i) an organization described in section 527(i)(5) of the Internal Revenue Code of 1986;

1 ''(ii) an organization which is a com-
2 mittee, club, association or other group of
3 persons that is organized, operated, and
4 makes disbursements exclusively for paying
5 expenses described in the last sentence of
6 section 527(e)(2) of the Internal Revenue
7 Code of 1986 or expenses of a newsletter
8 fund described in section 527(g) of such
9 Code;
10 ''(iii) an organization which is a com-
11 mittee, club, association, or other group
12 that consists solely of candidates for State
13 or local office, individuals holding State or
14 local office, or any combination of either,
15 but only if the organization refers only to
16 one or more non-Federal candidates or ap-
17 plicable State or local issues in all of its
18 voter drive activities and does not refer to
19 a Federal candidate or a political party in
20 any of its voter drive activities; or
21 ''(iv) an organization described in sub-
22 paragraph (C).
23 ''(C) APPLICABLE ORGANIZATION.—For
24 purposes of subparagraph (B)(iv), an organiza-
25 tion described in this subparagraph is a com-

mittee, club, association, or other group of persons whose election or nomination activities relate exclusively to—

"(i) elections where no candidate for Federal office appears on the ballot; or

"(ii) one or more of the following purposes:

"(I) Influencing the selection, nomination, election, or appointment of one or more candidates to non-Federal offices.

"(II) Influencing one or more applicable State or local issues.

"(III) Influencing the selection, appointment, nomination, or confirmation of one or more individuals to non-elected offices.

"(D) EXCLUSIVITY TEST.—A committee, club, association, or other group of persons shall not be treated as meeting the exclusivity requirement of subparagraph (C) if it makes disbursements aggregating more than $1,000 for any of the following:

"(i) A public communication that promotes, supports, attacks, or opposes a

clearly identified candidate for Federal office during the 1-year period ending on the date of the general election for the office sought by the clearly identified candidate (or, if a runoff election is held with respect to such general election, on the date of the runoff election).

''(ii) Any voter drive activity during a calendar year, except that no disbursements for any voter drive activity shall be taken into account under this subparagraph if the committee, club, association, or other group of persons during such calendar year—

''(I) makes disbursements for voter drive activities with respect to elections in only 1 State and complies with all applicable election laws of that State, including laws related to registration and reporting requirements and contribution limitations;

''(II) refers to one or more non-Federal candidates or applicable State or local issues in all of its voter drive activities and does not refer to any

Federal candidate or any political party in any of its voter drive activities;

"(III) does not have a candidate for Federal office, an individual who holds any Federal office, a national political party, or an agent of any of the foregoing, control or materially participate in the direction of the organization, solicit contributions to the organization (other than funds which are described under clauses (i) and (ii) of section 323(e)(1)(B)), or direct disbursements, in whole or in part, by the organization; and

"(IV) makes no contributions to Federal candidates.

"(E) CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the activity is—

"(i) a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or

"(ii) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue, including a reference that constitutes the endorsement or position itself.

"(F) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a political party if the only reference to the party in the activity is—

"(i) a reference for the purpose of identifying a non-Federal candidate;

"(ii) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

"(iii) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or can-

didates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.

"(G) APPLICABLE STATE OR LOCAL ISSUE.—For purposes of this paragraph, the term 'applicable State or local issue' means any State or local ballot initiative, State or local referendum, State or local constitutional amendment, State or local bond issue, or other State or local ballot issue.".

(c) DEFINITION OF VOTER DRIVE ACTIVITY.—Section 301 of such Act (2 U.S.C. 431), as amended by subsection (b), is further amended by adding at the end the following new paragraph:

"(28) VOTER DRIVE ACTIVITY.—The term 'voter drive activity' means any of the following activities conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot):

"(A) Voter registration activity.

"(B) Voter identification.

"(C) Get-out-the-vote activity.

"(D) Generic campaign activity.

"(E) Any public communication related to activities described in subparagraphs (A) through (D).

Such term shall not include any activity described in subparagraph (A) or (B) of section 316(b)(2).".

(d) REGULATIONS.—The Federal Election Commission shall promulgate regulations to implement this section not later than 60 days after the date of enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date which is 60 days after the date of enactment of this Act.

SEC. 603. RULES FOR ALLOCATION OF EXPENSES BETWEEN FEDERAL AND NON-FEDERAL ACTIVITIES.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

"SEC. 325. ALLOCATION AND FUNDING RULES FOR CERTAIN EXPENSES RELATING TO FEDERAL AND NON-FEDERAL ACTIVITIES.

"(a) IN GENERAL.—In the case of any disbursements by any political committee that is a separate segregated fund or nonconnected committee for which allocation rules are provided under subsection (b)—

"(1) the disbursements shall be allocated between Federal and non-Federal accounts in accordance with this section and regulations prescribed by the Commission; and

"(2) in the case of disbursements allocated to non-Federal accounts, may be paid only from a qualified non-Federal account.

"(b) COSTS TO BE ALLOCATED AND ALLOCATION RULES.—

"(1) IN GENERAL.—Disbursements by any separate segregated fund or nonconnected committee, other than an organization described in section 323(b)(1), for any of the following categories of activity shall be allocated as follows:

"(A) 100 percent of the expenses for public communications or voter drive activities that refer to one or more clearly identified Federal candidates, but do not refer to any clearly identified non-Federal candidates, shall be paid with funds from a Federal account, without regard to whether the communication refers to a political party.

"(B) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public commu-

1 nications and voter drive activities that refer to
2 one or more clearly identified candidates for
3 Federal office and one or more clearly identified
4 non-Federal candidates shall be paid with funds
5 from a Federal account, without regard to
6 whether the communication refers to a political
7 party.

8 ''(C) At least 50 percent, or a greater per-
9 centage if the Commission so determines by
10 regulation, of the expenses for public commu-
11 nications or voter drive activities that refer to
12 a political party, but do not refer to any clearly
13 identified Federal or non-Federal candidate,
14 shall be paid with funds from a Federal ac-
15 count, except that this paragraph shall not
16 apply to communications or activities that re-
17 late exclusively to elections where no candidate
18 for Federal office appears on the ballot.

19 ''(D) At least 50 percent, or a greater per-
20 centage if the Commission so determines by
21 regulation, of the expenses for public commu-
22 nications or voter drive activities that refer to
23 a political party and refer to one or more clear-
24 ly identified non-Federal candidates, but do not
25 refer to any clearly identified Federal can-

1 didates, shall be paid with funds from a Federal
2 account, except that this paragraph shall not
3 apply to communications or activities that re-
4 late exclusively to elections where no candidate
5 for Federal office appears on the ballot.

6 ''(E) Unless otherwise determined by the
7 Commission in its regulations, at least 50 per-
8 cent of any administrative expenses, including
9 rent, utilities, office supplies, and salaries not
10 attributable to a clearly identified candidate,
11 shall be paid with funds from a Federal ac-
12 count, except that for a separate segregated
13 fund such expenses may be paid instead by its
14 connected organization.

15 ''(F) At least 50 percent, or a greater per-
16 centage if the Commission so determines by
17 regulation, of the direct costs of a fundraising
18 program or event, including disbursements for
19 solicitation of funds and for planning and ad-
20 ministration of actual fundraising events, where
21 Federal and non-Federal funds are collected
22 through such program or event shall be paid
23 with funds from a Federal account, except that
24 for a separate segregated fund such costs may
25 be paid instead by its connected organization.

This paragraph shall not apply to any fund-raising solicitations or any other activity that constitutes a public communication.

"(2) CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the communication or activity is—

"(A) a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or

"(B) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue (as defined in section 301(27)(G)), including a reference that constitutes the endorsement or position itself.

"(3) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity shall not be treated as referring to a

political party if the only reference to the party in the communication or activity is—

"(A) a reference for the purpose of identifying a non-Federal candidate;

"(B) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

"(C) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or candidates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.

"(c) QUALIFIED NON-FEDERAL ACCOUNT.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified non-Federal account' means an account which consists solely of amounts—

"(A) that, subject to the limitations of paragraphs (2) and (3), are raised by the separate segregated fund or nonconnected committee only from individuals, and

"(B) with respect to which all requirements of Federal, State, or local law (including any law relating to contribution limits) are met.

"(2) LIMITATION ON INDIVIDUAL DONATIONS.—

"(A) IN GENERAL.—A separate segregated fund or nonconnected committee may not accept more than $25,000 in funds for its qualified non-Federal account from any one individual in any calendar year.

"(B) AFFILIATION.—For purposes of this paragraph, all qualified non-Federal accounts of separate segregated funds or nonconnected committees which are directly or indirectly established, financed, maintained, or controlled by the same person or persons shall be treated as one account.

"(3) FUNDRAISING LIMITATION.—

"(A) IN GENERAL.—No donation to a qualified non-Federal account may be solicited, received, directed, transferred, or spent by or in the name of any person described in subsection (a) or (e) of section 323.

"(B) FUNDS NOT TREATED AS SUBJECT TO ACT.—Except as provided in subsection (a)(2) and this subsection, any funds raised for a qualified non-Federal account in accordance with the requirements of this section shall not

be considered funds subject to the limitations, prohibitions, and reporting requirements of this Act for any purpose (including for purposes of subsection (a) or (e) of section 323 or subsection (d)(1) of this section).

"(d) DEFINITIONS.—

"(1) FEDERAL ACCOUNT.—The term 'Federal account' means an account which consists solely of contributions subject to the limitations, prohibitions, and reporting requirements of this Act. Nothing in this section or in section 323(b)(2)(B)(iii) shall be construed to infer that a limit other than the limit under section 315(a)(1)(C) applies to contributions to the account.

"(2) NONCONNECTED COMMITTEE.—The term 'nonconnected committee' shall not include a political committee of a political party.

"(3) VOTER DRIVE ACTIVITY.—The term 'voter drive activity' has the meaning given such term in section 301(28).".

(b) REPORTING REQUIREMENTS.—Section 304(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(e)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5); and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) RECEIPTS AND DISBURSEMENTS FROM QUALIFIED NON-FEDERAL ACCOUNTS.—In addition to any other reporting requirement applicable under this Act, a political committee to which section 325(a) applies shall report all receipts and disbursements from a qualified non-Federal account (as defined in section 325(c)).".

(c) REGULATIONS.—The Federal Election Commission shall promulgate regulations to implement the amendments made by this section not later than 180 days after the date of enactment of this Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date which is 180 days after the date of enactment of this Act.

SEC. 604. REPEAL OF LIMIT ON AMOUNT OF PARTY EXPENDITURES ON BEHALF OF CANDIDATES IN GENERAL ELECTIONS.

(a) REPEAL OF LIMIT.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1)—

(A) by striking "(1) Notwithstanding any other provision of law with respect to limita-

tions on expenditures or limitations on contributions, the national committee'' and inserting ''Notwithstanding any other provision of law with respect to limitations on amounts of expenditures or contributions, a national committee'',

(B) by striking ''the general'' and inserting ''any'', and

(C) by striking ''Federal office, subject to the limitations contained in paragraphs (2), (3), and (4) of this subsection'' and inserting ''Federal office in any amount''; and

(2) by striking paragraphs (2), (3), and (4).

(b) CONFORMING AMENDMENTS.—

(1) INDEXING.—Section 315(c) of such Act (2 U.S.C. 441a(c)) is amended—

(A) in paragraph (1)(B)(i), by striking ''(d),''; and

(B) in paragraph (2)(B)(i), by striking ''subsections (b) and (d)'' and inserting ''subsection (b)''.

(2) INCREASE IN LIMITS FOR SENATE CANDIDATES FACING WEALTHY OPPONENTS.—Section 315(i) of such Act (2 U.S.C. 441a(i)(1)) is amended—

(A) in paragraph (1)(C)(iii)—

(i) by adding ''and'' at the end of subclause (I),

(ii) in subclause (II), by striking ''; and'' and inserting a period, and

(iii) by striking subclause (III);

(B) in paragraph (2)(A) in the matter preceding clause (i), by striking '', and a party committee shall not make any expenditure,'';

(C) in paragraph (2)(A)(ii), by striking ''and party expenditures previously made''; and

(D) in paragraph (2)(B), by striking ''and a party shall not make any expenditure''.

(3) INCREASE IN LIMITS FOR HOUSE CANDIDATES FACING WEALTHY OPPONENTS.—Section 315A(a) of such Act (2 U.S.C. 441a—1(a)) is amended—

(A) in paragraph (1)—

(i) by adding ''and'' at the end of subparagraph (A),

(ii) in subparagraph (B), by striking ''; and'' and inserting a period, and

(iii) by striking subparagraph (C);

(B) in paragraph (3)(A) in the matter preceding clause (i), by striking ‘‘, and a party committee shall not make any expenditure,’’;

(C) in paragraph (3)(A)(ii), by striking ‘‘and party expenditures previously made’’; and

(D) in paragraph (3)(B), by striking ‘‘and a party shall not make any expenditure’’.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 2006.

SEC. 605. CONSTRUCTION.

No provision of this title, or amendment made by this title, shall be construed—

(1) as approving, ratifying, or endorsing a regulation promulgated by the Federal Election Commission;

(2) as establishing, modifying, or otherwise affecting the definition of political organization for purposes of the Internal Revenue Code of 1986; or

(3) as affecting the determination of whether a group organized under section 501(c) of the Internal Revenue Code of 1986 is a political committee under section 301(4) of the Federal Election Campaign Act of 1971.

SEC. 606. JUDICIAL REVIEW.

(a) SPECIAL RULES FOR ACTIONS BROUGHT ON CONSTITUTIONAL GROUNDS.—If any action is brought for declaratory or injunctive relief to challenge the constitutionality of any provision of this title or any amendment made by this title, the following rules shall apply:

(1) The action shall be filed in the United States District Court for the District of Columbia and shall be heard by a 3-judge court convened pursuant to section 2284 of title 28, United States Code.

(2) A copy of the complaint shall be delivered promptly to the Clerk of the House of Representatives and the Secretary of the Senate.

(3) A final decision in the action shall be reviewable only by appeal directly to the Supreme Court of the United States. Such appeal shall be taken by the filing of a notice of appeal within 10 days, and the filing of a jurisdictional statement within 30 days, of the entry of the final decision.

(4) It shall be the duty of the United States District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of the action and appeal.

(b) INTERVENTION BY MEMBERS OF CONGRESS.—In any action in which the constitutionality of any provision of this title or any amendment made by this title is raised (including but not limited to an action described in subsection (a)), any Member of the House of Representatives (including a Delegate or Resident Commissioner to Congress) or Senate shall have the right to intervene either in support of or opposition to the position of a party to the case regarding the constitutionality of the provision or amendment. To avoid duplication of efforts and reduce the burdens placed on the parties to the action, the court in any such action may make such orders as it considers necessary, including orders to require intervenors taking similar positions to file joint papers or to be represented by a single attorney at oral argument.

(c) CHALLENGE BY MEMBERS OF CONGRESS.—Any Member of Congress may bring an action, subject to the special rules described in subsection (a), for declaratory or injunctive relief to challenge the constitutionality of any provision of this title or any amendment made by this title.

(d) APPLICABILITY.—

(1) INITIAL CLAIMS.—With respect to any action initially filed on or before December 31, 2008, the provisions of subsection (a) shall apply with respect to each action described in such subsection.

(2) SUBSEQUENT ACTIONS.—With respect to any action initially filed after December 31, 2008, the provisions of subsection (a) shall not apply to any action described in such subsection unless the person filing such action elects such provisions to apply to the action.

SEC. 607. SEVERABILITY.

If any provision of this title or any amendment made by this title, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this title and the amendments made by this title, and the application of the provisions and amendments to any person or circumstance, shall not be affected by the holding.

TITLE VII—FORFEITURE OF RETIREMENT BENEFITS

SEC. 701. LOSS OF PENSIONS ACCRUED DURING SERVICE AS A MEMBER OF CONGRESS FOR ABUSING THE PUBLIC TRUST.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332 of title 5, United States Code, is amended by adding at the end the following:

"(o)(1) Notwithstanding any other provision of this subchapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken

1 into account for purposes of this subchapter, except that
2 this sentence applies only to service rendered as a Member
3 (irrespective of when rendered). Any such individual (or
4 other person determined under section 8342(c), if applica-
5 ble) shall be entitled to be paid so much of such individ-
6 ual's lump-sum credit as is attributable to service to which
7 the preceding sentence applies.

8 ''(2)(A) An offense described in this paragraph is any
9 offense described in subparagraph (B) for which the fol-
10 lowing apply:

11 ''(i) Every act or omission of the individual (re-
12 ferred to in paragraph (1)) that is needed to satisfy
13 the elements of the offense occurs while the indi-
14 vidual is a Member.

15 ''(ii) Every act or omission of the individual
16 that is needed to satisfy the elements of the offense
17 directly relates to the performance of the individual's
18 official duties as a Member.

19 ''(iii) The offense is committed after the date of
20 enactment of this subsection.

21 ''(B) An offense described in this subparagraph is
22 only the following, and only to the extent that the offense
23 is a felony under title 18:

24 ''(i) An offense under section 201 of title 18
25 (bribery of public officials and witnesses).

"(ii) An offense under section 219 of title 18 (officers and employees acting as agents of foreign principals).

"(iii) An offense under section 371 of title 18 (conspiracy to commit offense or to defraud United States) to the extent of any conspiracy to commit an act which constitutes an offense under clause (i) or (ii).

"(3) An individual convicted of an offense described in paragraph (2) shall not, after the date of the final conviction, be eligible to participate in the retirement system under this subchapter or chapter 84 while serving as a Member.

"(4) The Office of Personnel Management shall prescribe any regulations necessary to carry out this subsection. Such regulations shall include—

"(A) provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be limited in a manner similar to that specified in the last sentence of section 8316(b); and

"(B) provisions under which the Office may provide for—

"(i) the payment, to the spouse or children of any individual referred to in the first sen-

tence of paragraph (1), of any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

"(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

"(5) For purposes of this subsection—

"(A) the term 'Member' has the meaning given such term by section 2106, notwithstanding section 8331(2); and

"(B) the term 'child' has the meaning given such term by section 8341.".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8411 of title 5, United States Code, is amended by adding at the end the following:

"(i)(1) Notwithstanding any other provision of this chapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken into account for purposes of this chapter, except that this sentence applies only to service rendered as a Member (irrespective of when rendered). Any such individual (or

other person determined under section 8424(d), if applicable) shall be entitled to be paid so much of such individual's lump-sum credit as is attributable to service to which the preceding sentence applies.

"(2) An offense described in this paragraph is any offense described in section 8332(o)(2)(B) for which the following apply:

"(A) Every act or omission of the individual (referred to in paragraph (1)) that is needed to satisfy the elements of the offense occurs while the individual is a Member.

"(B) Every act or omission of the individual that is needed to satisfy the elements of the offense directly relates to the performance of the individual's official duties as a Member.

"(C) The offense is committed after the date of enactment of this subsection.

"(3) An individual finally convicted of an offense described in paragraph (2) shall not, after the date of the conviction, be eligible to participate in the retirement system under this chapter while serving as a Member.

"(4) The Office of Personnel Management shall prescribe any regulations necessary to carry out this subsection. Such regulations shall include—

"(A) provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be limited in a manner similar to that specified in the last sentence of section 8316(b); and

"(B) provisions under which the Office may provide for—

"(i) the payment, to the spouse or children of any individual referred to in the first sentence of paragraph (1), of any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

"(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

"(5) For purposes of this subsection—

"(A) the term 'Member' has the meaning given such term by section 2106, notwithstanding section 8401(20); and

1 "(B) the term 'child' has the meaning given
2 such term by section 8341.".

○

Chairman SENSENBRENNER. And the Chair recognizes himself for 5 minutes to explain the bill.

The Judiciary Committee received a primary referral of this bill which we consider this morning. I am pleased to note that the bill's provisions within our jurisdiction pertain to matters that have met with considerable bipartisan agreement. Greater disclosure of lobbying activity is a central theme of these provisions. There is broad agreement that greater and more frequent disclosure of lobbying activity strengthens public confidence in the political process. To advance this goal, title I provides for quarterly rather than biannual filing of more detailed lobbying disclosure reports and requires that this information be available to the public on the Internet in a form that can be easily sorted and searched by the average citizen. Title I also requires registered lobbyists to disclose past Government employment over the previous 7 years. In addition, this title requires lobbyists to disclose contributions to Federal candidates, leadership and other PACs and political party committees and to disclose the recipient the amount of any gift that counts toward the cumulative annual total of a hundred dollars as provided for under the House Rules. Moreover, the legislation doubles to $10,000 the civil penalty for failure to comply with these heightened reporting requirements.

The legislation also requires the Clerk of the House to provide notice to Members and staff of post-employment restrictions and prohibits registered lobbyists from accompanying Members on corporate flights.

Finally, title IV of the legislation enhances oversight of lobbying enforcement by requiring the House Inspector General to conduct random audits of reports filed by lobbyists and authorizes the IG to report violations to the Department of Justice for prosecution, thus adding more teeth to current enforcement efforts.

The United States Constitution grants everyone the right to petition the Government for redress of their grievances, and professional political advocates are not excluded from this protection. A broad range of organizations, such as the AARP, the American Cancer Society, the Boy Scouts and all manner of non-profit organizations hire lobbyists to inform Members of their views. While this form of advocacy is well established, greater disclosure of these activities enhances the public confidence and respect that each of us has a duty to uphold.

As I indicated earlier, I am pleased that several of the provisions within this Committee's purview are supported by Members on both sides of the aisle. At the appropriate time, I will offer an amendment with the support of Mr. Conyers to make further clarifications to the legislation. I would also advise Members that given the somewhat limited subject matter of the provisions within the purview of this Committee, the Chair intends to ensure that amendments to the legislation are germane. I urge Members to support this important legislation. Yield back my time and recognize the gentleman from Michigan, Mr. Conyers.

Mr. CONYERS. Thank you, Mr. Chairman and Members. We are here in a somewhat awkward situation. Even though we have primary jurisdiction of the bill, many of the significant provisions are not within our jurisdiction. And because of the problems that I have had with the gift ban, the travel ban proposals, the revolving

door, corporate jets, there was some tendency for us to say that since we are opposed to these other items, that we not bother with worrying about the sections that are within the Judiciary Committee's jurisdiction. We have decided that regardless of our views on the base bill, we are going to work and have been working with our staffs to make sure that we have reached as full accord as we can on these provisions that our within our jurisdiction.

Now it should be noted that when you are talking about lobbying accountability and transparency and reform, according to the Center For Public Integrity, nonpartisan, they have evaluated lobbying disclosure laws and found that the current Federal laws on lobbying disclosure are considerably weaker than the lobbying disclosure laws of 47 of the 50 States in the country. And given the nature of the recent scandals that have plowed through Washington, D.C., I think we have a serious and important job to do. If there is one thing that is clear in this debate, there is a need for a complete overhaul of the lobbying industry. It would not be rational from my point of view for us to be examining even the most perfect bill about lobbying reform without somebody somewhere at the beginning of this debate indicating that there is an even larger problem that challenges us, and that is public financing, because without that, you can do whatever you want about lobbying. We need a serious public financing law. There is one. The gentleman from Massachusetts, Mr. Tierney, has been continually reintroducing it, and I just want to touch the consciousness of every Member of this Committee with that regard.

I also want to single out some of the public groups that have worked so hard with us and with our colleague Mr. Meehan of Massachusetts who has worked very diligently on this subject. Public Citizen, Common Cause, Democracy 21 and others have been working very, very diligently in terms of the subject matter that we have today.

We are marking up a measure that purports to amend the very legislation this Committee passed a decade ago, the Lobby Disclosure Act of 1995. And while we will consider a bipartisan manager's amendment today to improve the judiciary sections of the bill, and I commend these improvements to all of my colleagues, but even after these improvements, the base bill is, to me, extremely inadequate, and among other things, we fail to meaningfully deal with the problems of gifts and travel by lobbyists. I had hoped that the majority was planning to deal with these issues in a far more serious way but the eventual draft includes only a temporary travel ban and almost no real limitation on gifts.

The portions of H.R. 4975 that we are taking up today are important but somewhat technical in nature, and I am pleased to have been able to work with the Chairman and other Members of the Committee to make the best of what was referred to our Committee. I hope we can come together as a Congress before this bill reaches the floor to resolve the remaining problems and strengthen the bill. With that, I return any unused time.

Chairman SENSENBRENNER. The time of the gentleman has expired. Without objection, all Members may include opening statements in the record at this point. The bill is now open for amendment. The Chair has a manager's amendment at the desk that he

is offering on behalf of himself and Mr. Conyers, and the Clerk will report the amendment.

The CLERK. Amendment to H.R. 4975 offered by Mr. Sensenbrenner and Mr. Conyers. Page 10, line 3, strike 2(c), the name——

Chairman SENSENBRENNER. Without objection the amendment is considered as read and the Chair recognizes himself for 5 minutes to explain it.

[The amendment follows:]

AMENDMENT TO H.R. 4975
OFFERED BY MR. SENSENBRENNER AND MR. CONYERS

Page 10, line 3, strike "(2)(C), the name" and insert "(2)(C)—

"(A) the name

Page 10, insert the following after line 9:

"(B) the name of each Federal candidate or officeholder, leadership PAC of such candidate or officeholder, or political party committee for whom a fundraising event was hosted or cohosted (as stated on the official invitation) by the registrant and each employee listed as a lobbyist by the registrant, the date and location of the event, and the total amount raised by the event;

Page 10, line 15, strike the quotation marks and two periods and insert a semicolon.

Page 10, insert the following after line 15:

"(8) the date, recipient, and amount of funds contributed by the registrant or any employee of the registrant who is listed by the registrant as a lobbyist—

"(A) to pay the costs of an event the purpose of which is (as stated by the registrant or employee, or in official materials describing the event) to honor or recognize a covered legislative branch official or covered executive branch official;

"(B) to, or on behalf of, an entity that is named for a covered legislative branch official or covered executive branch official, or to a person or entity in recognition of such official;

"(C) to an entity established, financed, maintained, or controlled by a covered legislative branch official or covered executive branch official, or an entity designated by such official; or

"(D) to pay the costs of a meeting, retreat, conference, or substantially similar event held by, or for the benefit of, 1 or more covered legislative branch officials or covered executive branch officials;

except that this paragraph shall not apply to any payment or reimbursement made from funds required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434); and

(9) the name of each Member of Congress with whom any lobbying contact has been made on behalf of the client by the registrant or any employee of the registrant who is listed by the registrant as a lobbyist.''.

Page 10, insert the following after line 15 and redesignate the succeeding subsection accordingly:

(b) FACTORS TO BE CONSIDERED TO DETERMINE RELATIONSHIP BETWEEN OFFICIALS AND OTHER ENTITIES.—Section 5 of the Act (2 U.S.C. 1604), as amended by section 102 of this Act, is furthered amended at the end the following new subsection:

''(e) FACTORS TO DETERMINE RELATIONSHIP BETWEEN OFFICIALS AND OTHER ENTITIES.—

''(1) IN GENERAL.—In determining under subsection (a)(8)(C) whether a covered legislative branch official or covered executive branch official directly or indirectly established, finances, maintains, or controls an entity, the factors described in paragraph (2) shall be examined in the context of the overall relationship between that covered official and the entity to determine whether the presence of any such factor or factors is evidence that the covered official directly or indirectly established, finances, maintains, or controls the entity.

"(2) FACTORS.—The factors referred to in paragraph (1) include, but are not limited to, the following:

"(A) Whether the covered official, directly or through its agent, owns a controlling interest in the voting stock or securities of the entity.

"(B) Whether the covered official, directly or through its agent, has the authority or ability to direct or participate in the governance of the entity through provisions of constitutions, bylaws, contracts, or other rules, or through formal or informal practices or procedures.

"(C) Whether the covered official, directly or through its agent, has the authority or ability to hire, appoint, demote, or otherwise control the officers or other decisionmaking employees or members of the entity.

"(D) Whether the covered official has a common or overlapping membership with the entity that indicates a formal or ongoing relationship between the covered official and the entity.

"(E) Whether the covered official has common or overlapping officers or employees with the entity that indicates a formal or ongoing re-

lationship between the covered official and the entity.

"(F) Whether the covered official has any members, officers, or employees who were members, officers, or employees of the entity that indicates a formal or ongoing relationship between the covered official and the entity, or that indicates the creation of a successor entity.

"(G) Whether the covered official, directly or through its agent, provides funds or goods in a significant amount or on an ongoing basis to the entity, such as through direct or indirect payments for administrative, fundraising, or other costs.

"(H) Whether the covered official, directly or through its agent, causes or arranges for funds in a significant amount or on an ongoing basis to be provided to the entity.

"(I) Whether the covered official, directly or through its agent, had an active or significant role in the formation of the entity.

"(J) Whether the covered official and the entity have similar patterns of receipts or disbursements that indicate a formal or ongoing

relationship between the covered official and the entity.''.

Page 11, strike lines 1 through 6 and insert the following:

''(18) LEADERSHIP PAC.—The term ''leadership PAC'' means an unauthorized political committee that is established, financed, maintained, and controlled by an individual who is a Federal officeholder or a candidate for Federal office.''.

Page 11 insert the following after line 11:

(d) NOTIFICATION OF MEMBERS.—Section 6(2) of the Act (2 U.S.C. 1605(2)) is amended—

(1) by striking ''review'' and inserting ''(A) review''; and

(2) by adding at the end the following:

''(B) if a report states (under section 5(b)(9) or otherwise) that a Member of Congress was the subject of a lobbying contact, immediately inform that Member of that report;''.

Page 6, line 3, strike ''$10,000'' and insert ''$1,000''.

Page 8, line 16, strike ''and''.

Page 8, insert the following after line 16:

"(B) directly links the information it contains to the information disclosed in reports filed with the Federal Election Commission under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434); and

Page 8, line 17, strike "(B)" and insert "(C)".

Page 11, strike lines 10 and 11 and insert the following:

Section 7 of the Act (2 U.S.C. 1606) is amended—

(1) by striking "Whoever" and inserting "(a) CIVIL PENALTY.—Whoever";

(2) by striking "$50,000" and inserting "$100,000"; and

(3) by adding at the end the following:

"(b) CRIMINAL PENALTY.—

"(1) IN GENERAL.—Whoever knowingly and willfully fails to comply with any provision of this Act shall be imprisoned not more than 3 years, or fined under title 18, United States Code, or both.

"(2) CORRUPTLY.—Whoever knowingly, willfully, and corruptly fails to comply with any provision of this Act shall be imprisoned not more than 5 years, or fined under title 18, United States Code, or both.".

Chairman SENSENBRENNER. This bipartisan manager's amendment offered by the Ranking Member and myself makes several improvements and necessary clarifications to the bill. The manager's amendment requires additional quarterly disclosures by lobbyists, namely disclosures of the names of Federal candidates and office holders, their leadership PACs or political committees for whom fundraising events are hosted by lobbyists. Information regarding payment for events honoring Members, information regarding payments that entities name for Members, and payments to entities established, financed, maintained and controlled by Members is defined under current Federal regulations and information regarding payments for retreats and conferences for the benefit of Members.

The amendment also requires lobbyists to disclose the names of Members of Congress with whom lobbying contacts are made as defined under the existing Lobbying Disclosure Act and requires the Clerk of the two Houses to immediately give notice to Members every time lobbyists file a disclosure regarding a Member.

Further, this bipartisan manager's amendment amends the definition of a leadership PAC to conform to current FEC law, requires lobbyists to round their estimates of expenses and income to the nearest thousand dollars, requires the Clerk of the House to link disclosure reports to relevant FEC filings.

Finally, the bipartisan manager's amendment provides for criminal penalties for knowing, willful and corrupt violation of these provisions. The bipartisan manager's amendment strikes the right balance that requires increased disclosure by lobbyists subject to criminal penalties for egregious infractions without reliance upon vague and ill-defined language that would chill constitutionally protected rights to association and to petition the Government for redress of grievances. I urge my colleagues to join me in this consensus effort to bring both greater disclosure and greater clarity to the base field and yield back the balance of my time.

Mr. CONYERS. Mr. Chairman.

Chairman SENSENBRENNER. The gentleman from Michigan.

Mr. CONYERS. I strike the requisite number of words.

Chairman SENSENBRENNER. The gentleman is recognized for 5 minutes.

Mr. CONYERS. I am very pleased to join in this cooperative effort. I urge that there may be more cooperation whenever we can get it in the Committee, and here is an example of it. This manager's amendment which I support would require additional disclosures by lobbyists, including the names of the Federal candidates and office holders and their leadership PACs or political committees for whom fundraising events are hosted by lobbyists. In addition, we seek disclosures of information regarding payments for events honoring Members. Third, disclosures of payments to entities named for Members; disclosure of payments for retreats and conferences for the benefit of Members, and to amend the definition of leadership PAC to conform to current FEC law. And, finally, to provide for criminal penalties of not more than 3 years in jail for knowing and willful failures to comply and for not more than 5 years for knowing, willful and corrupt failures to comply.

Ladies and gentlemen, what we do with the manager's amendment in short has considerably strengthened the measure before us

that is within our jurisdiction and I urge its support and yield back the balance of my time.

Chairman SENSENBRENNER. The gentleman from California, Mr. Issa.

Mr. ISSA. Thank you, Mr. Chairman. I move to strike the last word.

Chairman SENSENBRENNER. The gentleman is recognized for 5 minutes.

Mr. ISSA. Mr. Chairman, I am pleased to support the manager's amendment but not without some reservations. I commend both you and the Ranking Member for working hard to add additional transparency to the process of lobbying reform. However, I will be offering an amendment dealing with what I think is an excessive and draconian and perhaps threatening the very fabric of democracy in assuming that if somebody has a $50 lunch and then doesn't report it, that in fact they could get a 3- or 5-year felony conviction and prison or 3- to 5-year sentence on a selective basis by some future Attorney General for failure to report that. I understand that there is all the right terms of, it is willful and so on, but we all understand, you go to lunch, you fail to report, was it in your BlackBerry, was it on your Outlook, and did you forget, or was it willful?

I can see it now as they take a Member away for the $51 lunch or the $50 lunch and failed to report. I think it is excessive, I think it is inappropriate; not to say that there shouldn't be a civil penalty for at least the first offense and perhaps criminal if it shows a pattern, but I think the Ranking Member, if he thought long and hard about it, would realize that almost every Member of Congress makes an error in reporting over a 20- or 30-year period on a quarterly basis and that, hopefully, since this does not exist on the Senate bill, it can either be modified to a reasonable balance in conference or eliminated altogether.

Last, but not least, I hope that we all understand that, as we do all of these various reportings, I can find nothing here that changes the fact that Abramoff and Rudy and anyone else that has been involved in the scandals in fact is going to jail under existing laws. So let us not kid ourselves and believe that what we are doing is patching loopholes. The loopholes they used were not without criminal penalties, and they have pled guilty as a result. I yield back.

Mr. CONYERS. Would the gentlemen yield?

Mr. ISSA. I would yield to the Ranking Member.

Mr. CONYERS. I thank you for raising this part of the examination of the manager's amendment, but you are aware, I presume, that the criminal penalties do not kick in unless they are for knowing, willful and corrupt failures to comply. These aren't accidents.

Mr. ISSA. I appreciate that. Reclaiming my time. The problem is, as a practical matter in prosecution, you have got to prove that there—you have got to prove or at least a jury has to decide whether or not that $51 lunch that was on your calendar, in your BlackBerry, that your failure to report was or wasn't willful. It is very subjective. I think the Member would recognize that if there was no pattern of repeat—repeat, if in fact it was a single event, if in fact it was less than a relatively de minimus amount, that it should

be dealt with as an infraction or, in the alternative, a first offense should be considered for an infraction.

I do not disagree that somebody who willfully and repeatedly does anything to evade this law is in fact a criminal, but I think that the standard set opens up the possibility of a jury, rightfully so, on a $50 lunch in fact finding under the statute there is no protection that would make any level an infraction and the standard of willful, although it sounds like a high one, in fact, knowingly doing it is like, to be honest, like somebody who fails to report something on their income tax. The fact that you have got the receipt, that you read the receipt and you didn't put it in can be enough for a jury to find that in fact you knew. With that, I yield back.

Chairman SENSENBRENNER. The gentleman yields back. The question is on the manager's amendment.

The gentleman from New York, Mr. Nadler.

Mr. NADLER. Move to strike the last word.

Chairman SENSENBRENNER. The gentleman is recognized for 5 minutes.

Mr. NADLER. Thank you, Mr. Chairman. I support the manager's amendment which advances this legislation. This legislation goes to the very heart of this institution's credibility and integrity, the urgent need to detail the corrupting abuses in influence pedaling that have become endemic among some of those who attempt to influence Congress and unfortunately among some of the Members they hope to influence. This issue is not about free speech or the right of citizens to petition their Government for redress of grievances; it is about the corrupting influence of money in our democratic process.

All citizens should have an equal voice when speaking to Congress. Whether for personal enrichment or for the means to acquire political power, money distorts democracy and renders what we do here at best suspect. The recent indictments, convictions and resignations of leading Members of Congress and their staff up to and including the former majority leader Mr. DeLay have cast a pall over this institution and every one of us, whether we like it or not, whether any of us have done anything improper or not.

Unless this Congress acts and acts effectively and with credibility, the public will rightly judge this institution and its Members harshly. The public will become only more cynical. One place we can start, which is not really addressed in any of these reforms bills, is to open up our legislative process and adhere to our own rules of procedure. Bills hundreds of pages long written in the dead of night and brought to a vote with little or no examination by the Members will always be an invitation to disaster.

There was a time when legislation was actually the result of a deliberative and bipartisan process. That is regrettably becoming the exception rather than the rule; although I am glad to see the exception seems to be playing out in the case of this bill, at least in this Committee.

It creates bad policy and innumerable opportunities for mischief. The manager's amendment is a negotiated and non-controversial amendment. I do have, however, have serious concerns about some of the other provisions of the bill. I would hope the rest of the bill would be a product of similar cooperation, and we will be able to

work together to rescue our democracy. I am skeptical. I hope I am proved wrong about the rest of the bill. Thank you, Mr. Chairman. I yield back the balance of my time.

Chairman SENSENBRENNER. The gentleman from North Carolina, Mr. Coble.

Mr. COBLE. Move to strike the requisite number of words.

Chairman SENSENBRENNER. The gentleman is recognized for 5 minutes.

Mr. COBLE. I promise I will not consume the entire 5 minutes. I want to commend the Chairman and the Ranking Member from Michigan for having worked very diligently on this proposed legislation, and I want to associate myself with some of the remarks made earlier by the gentleman from California. We are in a position today, folks, where it is knee jerk and overkill, possibly, and if you vote against some of these proposals, I think we will be painted with the brush of approving abuse and approving willful violations of laws that could result in very onerous, even active prison sentences.

So I just want to urge all of us, Mr. Chairman, to proceed very deliberately and very thoroughly and to avoid falling into the trap of overkill. I yield back, Mr. Chairman.

Chairman SENSENBRENNER. The gentleman from Massachusetts, Mr. Meehan.

Mr. MEEHAN. Mr. Chairman, I support the manager's amendment.

Chairman SENSENBRENNER. The gentlemen is recognized for 5 minutes.

Mr. MEEHAN. And compliment the bipartisanship by the Chairman and Ranking Member and the staff. I did have language that I was interested that would provide a little more disclosure relative to some of the lobbyist expenditures, and if the Chairman would between now and the time the bill goes to the floor——

Chairman SENSENBRENNER. Will the gentleman from Massachusetts yield?

Mr. MEEHAN. Yes.

Chairman SENSENBRENNER. The Chair is always open to further refinements in the language. The bill that came to us was, in some of these instances, pretty loosely drafted, and the manager's amendment tries to tighten the drafting so that it is more clear what is required, and a criminal prosecution could not be defeated because the statute was void for vagueness. I certainly will be happy to talk with the gentleman from Massachusetts throughout this process in terms of looking at his suggestions on how to further tighten the language, and I commend him for his interest on that.

Mr. MEEHAN. I yield back the balance.

Mr. GOHMERT. Mr. Chairman, move to strike the last word.

Chairman SENSENBRENNER. The gentleman from Texas, Mr. Gohmert, is recognized for 5 minutes.

Mr. GOHMERT. Thank you, Mr. Chairman. I have the utmost respect for the Chairman of this Committee. I know and have a good feel of your heart, and I know it is in exactly the right place. I have immense concerns over the manager's amendment. Even provisions that just apply to lobbyists, let's face it, folks, in fairness, if they

are going to apply to lobbyists now, then they will ultimately apply to Members of Congress later, if not sooner.

So when you look at these things, you need to look at them in terms of, is this something I want to go to prison over? Is this something I want to be arrested for and drug from my wife and children in handcuffs, as has happened, over something that may have been an innocent mistake?

So it is so typical in Washington when we have laws—we saw it on gun control. We had all kinds of laws on gun control, and yet when there was a gun problem, instead of enforcing the present laws in the 1990's, which should have been done, the Administration's remedy was to come in and make more laws instead of enforcing the ones they had.

We have laws against corruption. We have laws against improper lobbying, and we have some lobbyists that are going to go to prison as a result. They violated the law. They are going to prison. They should. But here we are, our solutions run into, make more laws so it looks like we are doing something.

But, folks, think about it. We have had—some of us have had profound disagreements on policies, and we disagreed with each other, but I have some friends on the other side on this Committee that I have the utmost respect for your integrity and honesty, and to think about at some point if we do this to lobbyists, becomes laws for Members, to think about you being taken from your spouse and children in handcuffs, and I have seen this done, because there was an innocent failure to disclose something, that would break my heart. It is not right.

And what you have here with these violations, even though you include language like knowing and willful, or even corruptly, the fact is, if you innocently fail to disclose something, if your treasurer fails to disclose something, the accountant at your lobbying firm fails to disclose something, and then you sign off on it, well, folks, you are going to get arrested. You are going to get handcuffed, you are going to have a mug shot on your opponent's T-shirts they will be handing out. Your family will be humiliated. And even though you include language like willful and knowing and corruptly, that sounds good and that will help increase the burden of proof at trial, but the fact is, it will almost become a res ipsa loquitur situation where the thing will speak for itself; you failed to disclose, you must have known about it, so it is time to arrest you and have you run down to the jail. That is just overreaction when we have laws in place.

Now, at trial, sure, after you have gone through all that humiliation and you come in at trial and you show, gee, it was really an innocent mistake, your life has been forever changed, and to your detriment, over an innocent mistake and it was all because a Committee and a Congress and a bunch of folks thought it will look like we are doing something if we jump in and try to make more laws instead of just enforcing what we have.

Folks, as a judge, as a chief justice I was law and order. You look at my record. But I don't believe in making laws for got-you purposes that we don't need.

Now I have an amendment now, if I could. I don't know if this is the appropriate time, Mr. Chairman.

Chairman SENSENBRENNER. The gentleman is recognized to strike the last word and can't offer an amendment.

Mr. GOHMERT. Then I yield back.

Chairman SENSENBRENNER. The gentlemen yields back.

The question is on the manager's amendment as proposed by the gentleman from Michigan.

Mr. GOHMERT. Mr. Chairman, I have an amendment at the desk.

Chairman SENSENBRENNER. The gentleman has already been recognized once on this question. The question is on the manager's amendment proposed by the gentleman from Michigan, and the Chair, those in favor will say aye; opposed, no. The ayes appear to have it. The ayes have it, and the manager's amendment is agreed to.

Are there further amendments?

Mr. MEEHAN. Mr. Chairman, I have an amendment.

Chairman SENSENBRENNER. The gentleman from Massachusetts has an amendment. The Clerk will report the amendment.

Mr. MEEHAN. Meehan 62.

The CLERK. Amendment to H.R. 4975, offered by Mr. Meehan of Massachusetts. At the end of——

Mr. MEEHAN. Mr. Chairman, I ask unanimous consent it be considered as read.

[The amendment follows:]

AMENDMENT TO H.R. 4975

OFFERED BY MR. MEEHAN OF MASSACHUSETTS

Add at the end of title I the following:

SEC. 107. DISCLOSURE OF PAID EFFORTS TO STIMULATE GRASSROOTS LOBBYING.

(a) DEFINITIONS.—Section 3 of the Act (2 U.S.C. 1602) is amended—

(1) in paragraph (7), by adding at the end of the following: ''Lobbying activities include paid efforts to stimulate grassroots lobbying, but do not include grassroots lobbying.''; and

(2) by adding at the end of the following:

''(19) GRASSROOTS LOBBYING.—The term 'grassroots lobbying' means the voluntary efforts of members of the general public to communicate their own views on an issue to Federal officials or to encourage other members of the general public to do the same.

''(20) PAID EFFORTS TO STIMULATE GRASSROOTS LOBBYING.—

''(A) IN GENERAL.—The term 'paid efforts to stimulate grassroots lobbying' means any paid attempt in support of lobbying contacts on

behalf of a client to influence the general public or segments thereof to contact one or more covered legislative or executive branch officials (or Congress as a whole) to urge such officials (or Congress) to take specific action with respect to a matter described in section 3(8)(A), except that such term does not include any communications by an entity directed to its members, employees, officers, or shareholders.

"(B) PAID ATTEMPT TO INFLUENCE THE GENERAL PUBLIC OR SEGMENTS THEREOF.—The term 'paid attempt to influence the general public or segments thereof' does not include an attempt to influence directed at less than 500 members of the general public.

"(C) REGISTRANT.—For purposes of this paragraph, a person or entity is a member of a registrant if the person or entity—

"(i) pays dues or makes a contribution of more than a nominal amount to the entity;

"(ii) makes a contribution of more than a nominal amount of time to the entity;

"(iii) is entitled to participate in the governance of the entity;

"(iv) is 1 of a limited number of honorary or life members of the entity; or

"(v) is an employee, officer, director or member of the entity.

"(21) GRASSROOTS LOBBYING FIRM.—The term 'grassroots lobbying firm' means a person or entity that—

"(A) is retained by 1 or more clients to engage in paid efforts to stimulate grassroots lobbying on behalf of such clients; and

"(B) receives income of, or spends or agrees to spend, an aggregate of $25,000 or more for such efforts in any quarterly period.".

(b) REGISTRATION.—Section 4(a) of the Act (2 U.S.C. 1603(a)) is amended—

(1) in the flush matter at the end of paragraph (3)(A), by adding at the end the following: "For purposes of clauses (i) and (ii), the term 'lobbying activities' shall not include paid efforts to stimulate grassroots lobbying."; and

(2) by inserting after paragraph (3) the following:

"(4) FILING BY GRASSROOTS LOBBYING FIRMS.—Not later than 45 days after a grassroots lobbying firm first is retained by a client to engage in paid efforts to stimulate grassroots lobbying, such grassroots lobbying firm shall register with the Secretary of the Senate and the Clerk of the House of Representatives.".

(c) SEPARATE ITEMIZATION OF PAID EFFORTS TO STIMULATE GRASSROOTS LOBBYING.—Section 5(b) of the Act (2 U.S.C. 1604(b)) is amended—

(1) in paragraph (3)—

(A) by inserting after "total amount of all income" the following: "(including a separate good faith estimate of the total amount of income relating specifically to paid efforts to stimulate grassroots lobbying and, within that amount, a good faith estimate of the total amount specifically relating to paid advertising)."; and

(B) by inserting "or a grassroots lobbying firm" after "lobbying firm";

(2) in paragraph (4), by inserting after "total expenses" the following: "(including a good faith estimate of the total amount of expenses relating specifically to paid efforts to stimulate grassroots lob-

bying and, within that total amount, a good faith estimate of the total amount specifically relating to paid advertising)''; and

(3) by adding at the end the following:

''Subparagraphs (B) and (C) of paragraph (2) shall not apply with respect to reports relating to paid efforts to stimulate grassroots lobbying activities.''.

(d) GOOD FAITH ESTIMATES AND DE MINIMIS RULES FOR PAID EFFORTS TO STIMULATE GRASSROOTS LOBBYING.—

(1) IN GENERAL.—Section 5(c) of the Act (2 U.S.C. 1604(c)) is amended to read as follows:

''(c) ESTIMATES OF INCOME OR EXPENSES.—For purposes of this section, the following shall apply:

''(1) Estimates of income or expenses shall be made as follows:

''(A) Estimates of amounts in excess of $10,0000 shall be rounded to the nearest $20,000.

''(B) In the event income or expenses do not exceed $10,000, the registrant shall include a statement that income or expenses totaled less than $10,000 for the reporting period.

"(2) Estimates of income or expenses relating specifically to paid efforts to stimulate grassroots lobbying shall be made as follows:

"(A) Estimates of amounts in excess of $25,000 shall be rounded to the nearest $20,000.

"(B) In the event income or expenses do not exceed $25,000, the registrant shall include a statement that income or expenses totaled less than $25,000 for the reporting period.".

(2) TAX REPORTING.—Section 15 of the Act (2 U.S.C. 1610) is amended—

(A) in subsection (b)—

(i) in paragraph (1), by striking `and' after the semicolon;

(ii) in paragraph (2), by striking the period and inserting "; and"; and

(iii) by adding at the end the following:

"(3) in lieu of using the definition of paid efforts to stimulate grassroots lobbying in section 3(20), consider as paid efforts to stimulate grassroots lobbying only those activities that are grassroots expenditures as defined in section 4911(c)(3) of the Internal Revenue Code of 1986.".; and

(B) in subsection (b)—

(i) in paragraph (1), by striking "and" after the semicolon;

(ii) in paragraph (2), by striking the period and inserting "; and"; and

(iii) by adding at the end the following:

"(3) in lieu of using the definition of paid efforts to stimulate grassroots lobbying in section 3(20), consider as paid efforts to stimulate grassroots lobbying only those activities that are grassroots expenditures as defined in section 4911(c)(3) of the Internal Revenue Code of 1986.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2007.

Mr. SMITH. Mr. Chairman, I will reserve a point of order.

Chairman SENSENBRENNER. Point of order is reserved.

The gentleman from Massachusetts is recognized for 5 minutes.

Mr. MEEHAN. Mr. Chairman, this amendment would for the first time bring to the public light the huge amounts of money being spent for sophisticated professional media advertising campaigns to influence legislative decisions by Congress.

Currently, the Lobbying Disclosure Act requires disclosure of lobbying activities that involve direct contact with Congress, but there is no disclosure requirement for professional grassroots lobbying firms that are retained to spend money on media campaigns to support or oppose legislation. When I talk about grassroots lobbying firms, I am not talking about the grassroots organizations that mobilize their memberships to petition the Government; I am speaking of the professional firms like those set up by Jack Abramoff and Michael Scanlon to cheat Indian tribes out of millions. These firms are designed to avoid lobbying disclosure laws. For example, if a professional grassroots lobbying firm can spend tens of millions of dollars on a paid advertising campaign to stimulate public lobbying for the passage of a tax break or defeat of a judicial nominee without information being provided to citizens and Members of Congress on the amounts being spent on these lobbying campaigns, my amendment addresses this problem by requiring professional grassroots lobbying firms to register and report the income they receive from conducting grassroots lobbying campaigns. For those organizations that are already required to register under the law, they must report the aggregate amount that they spend on grassroots lobbying if the spending is significant, more than $25,000 per quarter.

An organization which is already a registered lobbying organization would have to disclose only two numbers on each lobbying report; one, an estimate of the total amounts spent on grassroots lobbying activities; and, two, an estimate of how much of that total was spent on paid advertising.

A professional grassroots lobbying firm that spends $25,000 or more per quarter on grassroots lobbying activities would also have to disclose for each client only two numbers, an estimate of the amount of money received from a client for grassroots lobbying aimed at the public, and, secondly, an estimate of how much money in total was spent on paid advertisement.

Some opponents of this amendment have made claims based on misconceptions. The amendment would not impair or restrict grassroots lobbying by any organization. It does not limit the amount of money that any group can put into such efforts. The provision would not require any organization to disclose its membership list or disclose any communications with its members. The amendment specifically exempts organizations' communications with its members from the definition of grassroots lobbying.

Furthermore, the impact of 501(c)3s would be minimal. 501(c)3 organizations already report grassroots expenditures to the IRS and would be allowed to report the same number under the Lobbying Disclosure Act.

The provision would separate the real grassroots organizations from the Astro turf groups, professional lobbying groups under the guise of grassroots lobbying, and grassroots groups support this

amendment, from the Alliance for Children and Families, to Common Cause, to the National Low Income Housing Coalition, Public Interest Research Group, Public Citizen, Sierra Club. All of them have sent letters on this matter.

Now I understand that there might be an attempt to say that this is not germane or will be ruled out of order. I just want to make it clear that the Parliamentarian has told us it is in fact germane and should be ruled in order.

Mr. Chairman, I yield back the balance of my time.

Chairman SENSENBRENNER. Does the gentleman from Texas insist upon his point of order?

Mr. SMITH. Yes, I do.

Chairman SENSENBRENNER. State your point of order.

Mr. SMITH. Mr. Chairman, House Rule 16(7) precludes amendments, quote, on subject difference from that under consideration, end quote. The purpose of the legislation is to enhance disclosure requirements by registered lobbyists. However, this amendment transforms the definition of lobbyists in a manner that is inconsistent with the title it seeks to amend. It also implicates the Committee on House Administration's jurisdiction over Federal elections generally. As a result, this amendment fails the test of germaneness contained in House Rule 16(7) and is not in order. Mr. Chairman, I yield back my time.

Chairman SENSENBRENNER. The gentleman from Massachusetts wishes to be heard on the point of order?

Mr. MEEHAN. I think I made my point. I believe that it is germane, and the Parliamentarian has told us it is germane. We are talking about disclosures that lobbyists are going to make, so I think I have said my case, but I also think you guys have the votes.

Chairman SENSENBRENNER. The Chair is prepared to rule. The gentleman from Texas makes a point of order that the amendment offered by the gentleman from Massachusetts is not germane pursuant to House Rule 16. House Rule 16 says that amendments offered in Committee that are within the jurisdiction of another Committee are not germane to the bill. The proposed amendment by the gentleman from Massachusetts redefines the definition of a lobbyist in a manner that is outside the jurisdiction of the Committee on the Judiciary and within the jurisdiction of the Committee on House Administration. For that reason, the Chair sustains the point of order raised by the gentleman from Texas, and the amendment fails.

Are there further amendments?

The gentleman from California, Mr. Issa.

Mr. ISSA. Mr. Chairman, I have an amendment at the desk.

Chairman SENSENBRENNER. The Clerk will report the amendment.

The CLERK. Amendment offered by Mr. Issa to H.R. 4975. Page 7, line 21, strike the quotation marks and second period. Page 7, add the following after line 21: (3) Inapplicability to Certain Offenses—This subsection shall not apply to violations most appropriately made subject to civil fines.

[The amendment follows:]

AMENDMENT OFFERED BY MR. ISSA TO THE AMENDMENT OFFERED BY MR. SENSENBRENNER AND MR. CONYERS TO H.R. 4975

Page 7, line 21, strike the quotation marks and second period.

Page 7, add the following after line 21:

"(3) INAPPLICABILITY TO CERTAIN OFFENSES.—This subsection shall not apply to violations most appropriately made subject to civil fines.".

Mr. ISSA. Mr. Chairman, my amendment——

Chairman SENSENBRENNER. The gentleman from Texas.

Ms. SMITH. Mr. Chairman, I will reserve a point of order.

Chairman SENSENBRENNER. Point of order is reserved. The gentleman from California is recognized for 5 minutes.

Mr. ISSA. My amendment seeks to deal with the implicit punishment phase I talked about earlier. It is clear that there is no question that this legislation is being rushed through; that any piece of legislation that simply says that if you do something wrong, in this case failing to report a $50 lunch, in fact could lead, would lead to a 3-year fine. This statute, if it goes into effect as it is presently titled, appears to be a felony-only offense. My amendment seeks to make it clear that in fact there is and should be a misdemeanor equivalent in some cases at the discretion of the U.S. attorney and the judge involved.

I have talked to the Ranking Member, and it seems like they are very concerned on their side of the aisle that anything that doesn't look tough politically in this season is going to, in fact, be unacceptable, but I would ask the Ranking Member and the Chairman to seriously consider whether or not we want to rush something through that is so different than the normal work product of this Committee. I urge its passage.

Chairman SENSENBRENNER. The gentleman from Texas insist on point of order?

Mr. SMITH. Yes, I do, Mr. Chairman.

Chairman SENSENBRENNER. State your point of order.

Mr. SMITH. Mr. Chairman, I regret that this amendment is not properly drafted, and the reason it is not properly drafted is because it seeks to amend the manager's amendment which has already been agreed to.

Chairman SENSENBRENNER. The gentleman from California wish to be heard?

Mr. ISSA. Yes, Mr. Chairman. With that, I would withdraw my amendment.

Chairman SENSENBRENNER. The amendment is withdrawn.

Mr. ISSA. And seek to have it corrected between now and floor passage.

Chairman SENSENBRENNER. Are there further amendments?

The gentleman from Massachusetts Mr. Meehan.

Mr. MEEHAN. Mr. Chairman, I have an amendment at the desk, Meehan 60.

Chairman SENSENBRENNER. The Clerk will report the amendment.

The CLERK. Amendment to——

Mr. SMITH. Mr. Chairman, I reserve a point of order.

Chairman SENSENBRENNER. Point of order is reserved. Clerk will report the amendment.

The CLERK. Offered by Mr. Meehan of Massachusetts. Add at the end of the title II the following: Section 204, Amendment to Restrictions on Former Officers, Employees and Elected Officials——

Chairman SENSENBRENNER. Without objection the amendment is considered as read.

[The amendment follows:]

AMENDMENT TO H.R. 4975

OFFERED BY MR. MEEHAN OF MASSACHUSETTS

Add at the end of title II the following:

SEC. 204 AMENDMENTS TO RESTRICTIONS ON FORMER OFFICERS, EMPLOYEES, AND ELECTED OFFICIALS OF THE EXECUTIVE AND LEGISLATIVE BRANCHES.

(a) VERY SENIOR EXECUTIVE PERSONNEL.—The matter after subparagraph (C) in section 207(d)(1) of title 18, United States Code, is amended by striking ''within 1 year'' and inserting ''within 2 years''.

(b) RESTRICTIONS ON LOBBYING BY MEMBERS OF CONGRESS AND EMPLOYEES OF CONGRESS.—Subsection (e) of section 207 of title 18, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) MEMBERS OF CONGRESS AND ELECTED OFFICERS.—(A) Any person who is a Member of Congress or an elected officer of either House of Congress and who, within 2 years after that person leaves office, knowingly engages in lobbying activities on behalf of any other person (except the United

States) in connection with any matter on which such former Member of Congress or elected officer seeks action by a Member, officer, or employee of either House of Congress, shall be punished as provided in section 216 of this title.

"(B) As used in this paragraph, the term 'lobbying activities' has the meaning given that term in section 3 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602).";

(2) by striking paragraphs (2) through (5) and inserting the following:

"(2) CONGRESSIONAL STAFF.—

"(A) PROHIBITION.—Any person who is an employee of a House of Congress and who, within 1 year after that person leaves office, knowingly makes, with the intent to influence, any communication to or appearance before any of the persons described in subparagraph (B), on behalf of any other person (except the United States) in connection with any matter on which such former employee seeks action by a Member, officer, or employee of either House of Congress, in his or her official capacity, shall be punished as provided in section 216 of this title.

"(B) CONTACT PERSONS COVERED.—persons referred to in subparagraph (A) with respect to appearances or communications are any Member, officer, or employee of the House of Congress in which the person subject to subparagraph (A) was employed. This subparagraph shall not apply to contacts with staff of the Secretary of the Senate or the Clerk of the House of Representatives regarding compliance with lobbying disclosure requirements under the Lobbying Disclosure Act of 1995.";

(3) in paragraph (6)—

(A) by striking "paragraphs (2), (3), and (4)" and inserting "paragraph (2)";

(B) by striking "(A)";

(C) by striking subparagraph (B); and

(D) by redesignating that paragraph as paragraph (3); and

(4) in paragraph (7)—

(A) by redesignating that paragraph as paragraph (6); and

(B) in subparagraph (G), by striking "(1), (2), (3), or (4)" and inserting "(1) or (2)".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall take effect 60 days after the date of enactment of this Act.

Chairman SENSENBRENNER. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. MEEHAN. Thank you, Mr. Chairman. I won't need the full 5 minutes because my amendment is simple. There is a revolving door between Congress and K Street that gives lobbyists special access because of their past Government service. Currently, there is a 1-year waiting period before Members of Congress and senior Government employees can walk through the revolving door to become lobbyists. My amendment would extend the cooling off period to 2 years and slow down the revolving door and keep special interest at an appropriate arm's length from policy makers.

In addition, it would bar former Members from engaging in any lobbying activities including opening their own lobbying shops for 1 year after they leave Federal service. This is a trend that cannot be denied. Seven figure salaries are luring more and more public servants into the lobbying industry.

Mr. Chairman, over 270 former Members of Congress registered as lobbyists between 1995 and 2004. According to Public Citizen, 43 percent of the lawmakers who left office since 1998 have become lobbyists. In recent years, a key author of the 2003 Medicare Drug Law, widely criticized as too generous to the drug companies, had become the president of the drug industry's lobbying firm.

Americans should be able to know what people who run Congress do so as to serve the public good. This revolving door creates lucrative careers in lobbying for special interest. This is the same provision that Congressman Emanuel and I have proposed.

I urge support for the amendment, and I would also point out that this is as well an amendment that I checked with the Parliamentarian to determine whether or not it was germane. The Parliamentarian said, yes, in fact that it was, and I yield back, Mr. Chairman.

Chairman SENSENBRENNER. Does the gentleman from Texas insist on his point of order?

Mr. SMITH. Yes, I do, Mr. Chairman.

Chairman SENSENBRENNER. State your point of order.

Mr. SMITH. House Rule 16 precludes amendments on a subject different from that under consideration. Title I of the legislation pertains to enhanced disclosure requirements by registered lobbyists and section 201 requires the House Clerk to provide notice of Members and staff of post-employment restrictions. There is no provision contained in the legislation within the Committee's purview that addresses this subject of the amendment. As a result, this amendment fails the test of germaneness contained in House Rule 16 and is not in order. I will yield back.

Chairman SENSENBRENNER. The gentleman from Massachusetts wish to be heard on the point of order?

Mr. MEEHAN. Mr. Chairman, could I ask the gentlemen whether I should infer anything of the fact that the gentleman from California, when he objected on the grounds it wasn't relevant, regretted it, and on my two amendments, I didn't hear any regret.

Mr. SMITH. I have to tell you, if the gentleman wants a long answer, I can give him one, but the regrets are not the same.

Mr. MEEHAN. Mr. Chairman, I made the point.

Chairman SENSENBRENNER. The chair is prepared to rule. For the reasons stated by the gentleman from Texas, the amendment

is not germane, and the point of order is sustained. Are there further amendments?

The gentleman from Maryland, Mr. Van Hollen.

Mr. VAN HOLLEN. Thank you, Mr. Chairman. I have an amendment at the desk.

Chairman SENSENBRENNER. The Clerk will report the amendment.

The CLERK. Amendment to H.R. 4975 offered by Mr. Van Hollen. Add at the end of title I the following: Section 107, Requiring Lobbyists to File Reports on Solicitations and Transfers of Contributions for Candidates.

Mr. SMITH. Mr. Chairman, I will reserve a point of order.

Chairman SENSENBRENNER. Point of order is reserved. Without objection, the amendment is considered as read.

[The amendment follows:]

AMENDMENT TO H.R. 4975
OFFERED BY MR. VAN HOLLEN

Add at the end of title I the following:

SEC. 107. REQUIRING LOBBYISTS TO FILE REPORTS ON SOLICITATIONS AND TRANSFERS OF CONTRIBUTIONS FOR CANDIDATES.

(a) REPORTS REQUIRED.—Section 5 of the Act (2 U.S.C. 1604), as amended by section 102(b), is amended by adding at the end the following new subsection:

"(e) REPORTS OF SOLICITATIONS AND TRANSFERS OF CONTRIBUTIONS IN FEDERAL ELECTIONS.—

"(1) REPORTS OF SOLICITATIONS AND TRANSFERS REQUIRED.—Any lobbyist registered under section 4 who solicits a contribution for or on behalf of a candidate or political committee from any other person and transmits the contribution to the candidate or political committee, or who transfers any contribution made by any other person to a candidate or political committee, shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives containing—

"(A) the name, address, business telephone number, and principal place of business of the

lobbyist, and a general description of the lobbyist's business or activities;

"(B) the name of the person from whom the lobbyist solicited the contribution or from whom the lobbyist transferred the contribution; and

"(C) the identity of the candidate or political committee on whose behalf the contribution was solicited and transmitted or transferred (and, in the case of a political committee which is an authorized committee of a candidate, the identity of the candidate).

"(2) REPORTS OF SERVICE AS OFFICER OF POLITICAL COMMITTEE.—Any lobbyist registered under section 4 who serves as the treasurer of an authorized committee of a candidate for election for Federal office or as the treasurer or chair of any other political committee, shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives containing the position held by the lobbyist and the identity of the candidate and committee involved.

"(3) TIMING OF REPORTS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees

under section 304(a)(4)(B) of the Federal Election Campaign Act of 1971, except that a report is not required to be filed under this subsection with respect to any month during which the lobbyist did not solicit and transmit or transfer a contribution described in paragraph (1) or serve in a position described in paragraph (2).

"(4) EXCEPTION FOR LOBBYISTS AS CANDIDATES.—In the case of a lobbyist who is a candidate for election for Federal office, paragraph (1) shall not apply to a contribution made to the lobbyist or to an authorized committee of the registered lobbyist.

"(5) DEFINITIONS.—In this subsection, the terms 'authorized committee', 'candidate', 'election', and 'political committee' have the meanings given such terms in section 301 of the Federal Election Campaign Act of 1971.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to solicitations or transfers made on or after the date of the enactment of this Act.

Chairman SENSENBRENNER. The gentleman from Maryland, Mr. Van Hollen, is recognized for 5 minutes.

Mr. VAN HOLLEN. Thank you, Mr. Chairman. I think the overall intent of this legislation is to at least in part restore the confidence to the American people that the business conducted up here is done in a way that they can be proud of, and I don't think any reform can get at the issues that we need to address if it doesn't address the campaign finance aspects of the problem.

We have in this bill a prohibition, for example, on a lobbyist accompanying a Member of Congress on a corporate jet and yet that same lobbyist can be involved in raising a lot of money for a Member of Congress. We don't have it within our jurisdiction right now to deal with public financing of campaigns, and I get to the root of the problem in a number of these areas, but what we do have before us is a bill dealing with disclosure requirements for lobbyists. In fact, it has a provision in it already that requires lobbyists as part of their disclosure to disclose the contributions they make.

What this amendment would do simply is to say that they also have to disclose contributions that they solicit on behalf of candidates and transfer to those candidates, and it requires them to disclose whether or not they are the treasurer or the Chairman of a candidate campaign or another campaign committee, for example, a leadership PAC.

We had a hearing yesterday in the Constitution Subcommittee, and I think it was very clear that this kind of disclosure is important; it is in the public interest. If we want to really begin to address the nexus between lobbying and their influence on the process through money contributions, we at the very least can shine a little sunlight on what is going on and let the public decide based on the information whether they think, whether undue influence is being exercised.

So, Mr. Chairman——

Mr. NADLER. Will the gentleman yield?

Mr. VAN HOLLEN. Happy to yield.

Mr. NADLER. Is it your intention in this amendment to require a report of a solicitation of a contribution if no contribution is in fact forthcoming or only if there is a contribution?

Mr. VAN HOLLEN. We want to make very clear, it says and transmits. So you only have to disclose if you solicited and you transmit a contribution. In other words, solicitation by itself, if there is no contribution, no. No requirement.

Mr. NADLER. Thank you. I yield back.

Mr. VAN HOLLEN. We wanted to make it very tight.

Chairman SENSENBRENNER. Does the gentleman from Texas insist on his point of order?

Mr. SMITH. I withdraw my point of order.

Chairman SENSENBRENNER. Reservation is withdrawn. The Chair recognizes himself for 5 minutes.

This amendment, I think, makes a constructive addition to the bill, and I would urge the Committee to accept it and yield back the balance of my time.

The question is on the amendment offered by the gentleman from Maryland, Mr. Van Hollen.

Ms. JACKSON LEE. Mr. Chairman, I would like to strike the last word.

Chairman SENSENBRENNER. The gentlewoman is recognized for 5 minutes.

Ms. JACKSON LEE. Mr. Van Hollen, I think this is likewise constructive. I would pose a question as to whether or not this would offer a set of circumstances that has come to our attention when solicitations of funds have been made pursuant to the actions of a staff member in a Member's office and those solicitations ultimately went into a foundation for the staff member's wife. Does this have a broad enough reach to address the question of that sort of roundabout fundraising? And as we have gleaned, allegedly a benefit was given to the lobbyist for that solicitation of funds. Does this in any way capture that tawdry description that I just gave?

Mr. VAN HOLLEN. Only if that other entity were a political committee. In other words, this applies to contributions made to the candidate committee or some other political committee like a leadership PAC.

Ms. JACKSON LEE. So would not cover, for example, a foundation that a lobbyist could utilize for funneling dollars into.

Mr. VAN HOLLEN. No. That might be a good additional amendment, but this would not cover that.

Ms. JACKSON LEE. Let me say that you have made a very good first step, and I add my support to that, and I believe that I will be crafting an amendment, if you would, that would add the foundation aspect to it because I think that is a glaring, gaping hole that we have now just discovered that can be a dangerous complement or partner in the misuse and abuse of this process of lobbying and gaining benefits. With that, I yield back my time, and I thank the gentleman for his very thoughtful amendment.

Mr. WATT. Mr. Chairman, move to strike the last word.

Chairman SENSENBRENNER. The gentleman is recognized for 5 minutes.

Mr. WATT. Just for purposes of asking Mr. Van Hollen a question.

This is designed to get at the practice that is generally referred to as bundling?

Mr. VAN HOLLEN. Yes, it certainly would encompass the practice of bundling. If a lobbyist goes out and solicits contributions from associates, business partners, transmits them to the candidate, they would disclose that as part of their lobbying report.

Mr. WATT. So then you would end up with two separate reports. You would end up with a report of the contributions themselves, and you would end up with a separate report from the lobbyist, so, basically, you end up with two reports on that contribution.

Mr. VAN HOLLEN. Under this bill, there is a provision in it that now requires the lobbyists, as part of their lobbying disclosure, to report contributions that the lobbyist had made, which is an additional requirement that is not currently part of lobbying reporting; candidates have to report as part of the FEC. These are obligations placed on the lobbyists.

Mr. WATT. I yield back, Mr. Chairman. I yield——

Chairman SENSENBRENNER. The gentlelady from Texas.

Ms. JACKSON LEE. Mr. Van Hollen, this action is by lobbyists, does not cover groups such as Emily's List, which is an individual bundling issue, or does it?

Mr. VAN HOLLEN. This deals, again, this is all part of the lobbying disclosure requirement—registered lobbyists.

Ms. JACKSON LEE. I just want to get that on the record. Distinctive from what might occur by a group such as Emily's List or falls in that category.

Mr. VAN HOLLEN. This is to get at the particular nexus between lobbyists and fundraising.

Ms. JACKSON LEE. I yield back.

Chairman SENSENBRENNER. The gentleman from Ohio, Mr. King.

Mr. KING. Thank you, Mr. Chairman. I speak in opposition to the Van Hollen amendment, and it is possible to follow the money, and that is what we should be doing, is shining sunshine on all the money we can so that the public with access through the Internet, immediate access can evaluate what is going on with the financing and the lobbying efforts that are taking place all across the politics of this country. But it is not possible to legitimately follow the discussions and the network that takes place that is a fundraising effort.

I would point out, how do you file, when you are soliciting for a candidate—I mean, I know there are a network of lobbyists and constituents and grassroots organizations, and those three areas have a network where they discuss together and they might generally agree that one candidate is worth supporting and another one not, but they don't know whether those discussions or those solicitations necessarily result in a check going into a candidate's campaign account.

So to report solicitations, perhaps transfers, if a lobbyist carries a check, but you can never audit this. Again, it is as subjective an amendment as the issue raised by Mr. Gohmert. So I rise in opposition to this amendment. It is bad enough to go down this path of setting every Member of Congress up, without adding to it this vague amendment of the Van Hollen amendment where one might be indicted for soliciting or not filing or not reporting a solicitation of funding when they may well not know whether they have actually solicited or just said a kind word about a Member or whether they have emphatically request had that someone pitch in——

Mr. VAN HOLLEN. Would the gentleman yield?

Mr. KING. Where they request someone pitch into that campaign account and not see whether there is a result or not.

Mr. BERMAN. Would the gentleman yield?

Mr. KING. I would be happy to yield.

Mr. BERMAN. As I look at the provision, it, first of all, only applies to lobbyists, it doesn't apply to grassroots individuals, and it only applies to lobbyists who solicit, and then they themselves transmit the contribution. So, to me, it fits perfectly within what you defined as the appropriate area to legislate, that is to facilitate the following of the money. It doesn't cover grassroots groups, it covers lobbyists, and it only requires lobbyists to solicit and then get the check which they then transmit to the campaign.

Mr. KING. Reclaiming my time. The words that were used by Mr. Van Hollen were solicited or transferred. I think my definition is accurate.

Mr. VAN HOLLEN. Would the gentleman yield.

Mr. KING. I would yield back the balance of my time.

Mr. SMITH. [presiding] Are there any other Members who wish to be heard on the amendment?

Mr. BERMAN. It is not, or it is an——

Mr. SMITH. The gentlewoman is recognized for 5 minutes.

Ms. WASSERMAN SCHULTZ. Move to strike the last word and yield to the gentleman from Maryland.

Mr. VAN HOLLEN. I thank my colleague. In response to Mr. King, an earlier question was raised about whether it was just soliciting, and it was very clear, and it was clear in the language, it is solicit and transfer. Both those things have to happen. It applies, just to make it absolutely clear, it applies to lobbyist reporting. This is not dealing with any disclosures apart from your separate FEC report. This has to do with lobbyists, what they have to disclose at the time they file their disclosure report, and says, if they have solicited and transferred funds to a candidate, they have to report that just as they report under this law their own campaign contributions.

Mr. KING. Would the gentleman yield?

Mr. VAN HOLLEN. I would be happen to yield.

Mr. KING. Would you define, then, transfer? If that means handing a check but not cutting a check, does that include transfer or transmit?

Mr. VAN HOLLEN. What do you mean by cutting a check. If you are cutting a check yourself, you are covered under the underlying proposal.

Mr. KING. If someone hands a check to the lobbyist, and they hand the check to someone else, are they obligated under this amendment to report that?

Mr. VAN HOLLEN. Yes, they would be.

Mr. KING. In which case, they don't have a nexus, a financial nexus, which lets my argument stand. I appreciate that, and I yield back.

Mr. VAN HOLLEN. If you are a lobbyist and you transfer these funds to a candidate, seems to me have you a nexus between that contribution that you are providing on behalf of somebody else to the candidate, and that would be covered.

Mr. SMITH. The gentlewoman from Florida has time. Does she yield back?

Ms. WASSERMAN SCHULTZ. I yield back.

Mr. SMITH. The question is on the amendment. All in favor, say aye. All opposed, nay. The nays have it.

Mr. BERMAN. Mr. Chairman, rollcall.

Mr. SMITH. The Clerk will call the roll.

The CLERK. Mr. Hyde?

Mr. HYDE. Aye.

The CLERK. Mr. Hyde, aye.

Mr. Coble?

[No response.]

The CLERK. Mr. Smith?

[No response.]

The CLERK. Mr. Gallegly?

Mr. GALLEGLY. Aye.

The CLERK. Mr. Gallegly, aye.

Mr. Goodlatte?

[No response.]

The CLERK. Mr. Chabot?
Mr. CHABOT. Aye.
The CLERK. Mr. Chabot, aye.
Mr. Lungren?
[No response.]
The CLERK. Mr. Jenkins?
Mr. JENKINS. Aye.
The CLERK. Mr. Jenkins, aye.
Mr. Cannon?
[No response.]
The CLERK. Mr. Bachus?
[No response.]
The CLERK. Mr. Inglis?
[No response.]
The CLERK. Mr. Hostettler?
Mr. HOSTETTLER. No.
The CLERK. Mr. Hostettler, no.
Mr. Green?
[No response.]
The CLERK. Mr. Keller?
Mr. KELLER. Aye.
The CLERK. Mr. Keller, aye.
Mr. Issa?
Mr. ISSA. Aye.
The CLERK. Mr. Issa, aye.
Mr. Flake?
[No response.]
The CLERK. Mr. Pence?
[No response.]
The CLERK. Mr. Forbes?
Mr. FORBES. Aye.
The CLERK. Mr. Forbes, aye.
Mr. King?
Mr. KING. No.
The CLERK. Mr. King, no.
Mr. Feeney?
[No response.]
The CLERK. Mr. Franks?
Mr. FRANKS. No.
The CLERK. Mr. Franks, no.
Mr. Gohmert?
[No response.]
The CLERK. Mr. Conyers?
Mr. CONYERS. Aye.
The CLERK. Mr. Conyers, aye.
Mr. Berman?
Mr. BERMAN. Aye.
The CLERK. Mr. Berman, aye.
Mr. Boucher?
[No response.]
The CLERK. Mr. Nadler?
Mr. NADLER. Aye.
The CLERK. Mr. Nadler, aye.
Mr. Scott?
Mr. SCOTT. Aye.

The CLERK. Mr. Scott, aye.
Mr. Watt?
Mr. WATT. Aye.
The CLERK. Mr. Watt, aye.
Ms. Lofgren?
Ms. LOFGREN. Aye.
The CLERK. Ms. Lofgren, aye.
Ms. Jackson Lee?
Ms. JACKSON LEE. Aye.
The CLERK. Ms. Jackson Lee, aye.
Ms. Waters?
Ms. WATERS. Aye.
The CLERK. Ms. Waters, aye.
Mr. Meehan?
Mr. MEEHAN. Aye.
The CLERK. Mr. Meehan, aye.
Mr. Delahunt?
[No response.]
The CLERK. Mr. Wexler?
[No response.]
The CLERK. Mr. Weiner?
Mr. WEINER. Aye.
The CLERK. Mr. Weiner, aye.
Mr. Schiff?
Mr. SCHIFF. Aye.
The CLERK. Mr. Schiff, aye.
Ms. Sanchez?
Ms. SANCHEZ. Aye.
The CLERK. Ms. Sanchez, aye.
Mr. Van Hollen?
Mr. VAN HOLLEN. Aye.
The CLERK. Mr. Van Hollen, aye.
Ms. Wasserman Schultz?
Ms. WASSERMAN SCHULTZ. Aye.
The CLERK. Ms. Wasserman Schultz, aye.
Mr. Chairman?
Chairman SENSENBRENNER. Aye.
The CLERK. Mr. Chairman, aye.
Chairman SENSENBRENNER. [Presiding.] The Members who wish to cast or change their vote.
The gentleman from Texas, Mr. Smith.
Mr. SMITH. Mr. Chairman, I vote aye.
The CLERK. Mr. Smith, aye.
Chairman SENSENBRENNER. The gentleman from North Carolina, Mr. Coble.
Mr. COBLE. Aye.
Chairman SENSENBRENNER. The gentleman from Utah, Mr. Cannon.
Mr. CANNON. No.
The CLERK. Mr. Cannon, no.
Chairman SENSENBRENNER. Gentleman from Wisconsin, Mr. Green.
Mr. GREEN. Aye.
The CLERK. Mr. Green, aye.

Chairman SENSENBRENNER. Gentleman from Virginia, Mr. Goodlatte.

Mr. GOODLATTE. Aye.

The CLERK. Mr. Goodlatte, aye.

Chairman SENSENBRENNER. The gentleman from South Carolina, Mr. Inglis.

Mr. INGLIS. Aye.

The CLERK. Mr. Inglis, aye.

Chairman SENSENBRENNER. The gentleman from Florida, Mr. Wexler.

Mr. WEXLER. Aye.

The CLERK. Mr. Wexler, aye.

Chairman SENSENBRENNER. Further Members who wish to cast or change their votes? If there are none, the Clerk will report.

The CLERK. Mr. Chairman, there are 28 ayes and 4 nays.

Chairman SENSENBRENNER. The amendment is agreed to.

Are there further amendments?

Are there further amendments? For what purpose does the gentlewoman from California seek recognition.

Ms. WATERS. Move to strike the last word.

Chairman SENSENBRENNER. Gentlelady is recognized for 5 minutes.

Ms. WATERS. Mr. Chairman, I don't know if it would be appropriate to request reconsideration of the manager's amendment, it has already passed; but if not, I would like to bring to the attention of the Chair and the Committee that I had an amendment that was basically covered in the bill, and we did not seek to introduce the amendment because we thought it was covered until we looked at it in detail.

On page 3, line 1, where there is an attempt to make sure that contacts with Members of Congress by lobbyists are disclosed, we should have included "and staff" because many of these contacts—most of them—are with staff rather than the Member. And so to leave that out would be a gaping hole in what we are trying to do.

So I bring that to the Chairman's attention so that the Chairman may take care of that in the best way possible. And if reconsideration is the best way, then I would unanimously request that we do it that way.

Chairman SENSENBRENNER. Does the gentlewoman make a unanimous consent request?

Ms. WATERS. Yes, unanimous consent request for reconsideration of the manager's amendment in order to add the word "staff" on page 3, line 1.

Chairman SENSENBRENNER. The gentlewoman from California asks unanimous consent that the vote by which the manager's amendment was agreed to be reconsidered. Is there objection?

Mr. SMITH. Mr. Chairman, I object.

Chairman SENSENBRENNER. Objection is heard. Are there further amendments? There are no further amendments.

Gentleman from Virginia, Mr. Scott, for what purpose do you seek recognition?

Mr. SCOTT. I have an amendment that is being copied right now I would like to offer. It is being copied right now, Mr. Chairman.

Chairman SENSENBRENNER. Well, then, the gentleman is going to have to forbear until his amendment is ready.

Are there further amendments?

Ms. WATERS. Mr. Chairman, I have an amendment.

Chairman SENSENBRENNER. Clerk will report the amendment of the gentlewoman from California, Ms. Waters.

The CLERK. Amendment offered by Ms. Waters to the amendment offered by Mr. Sensenbrenner and Mr. Conyers to H.R. 4975:

Page 3, line 1, insert "and each covered legislative branch"——

Mr. SMITH. Mr. Chairman, I will reserve a point of order.

Chairman SENSENBRENNER. Point of order is reserved. Without objection, the amendment is considered as read and the gentlewoman is recognized for 5 minutes.

[The amendment follows:]

AMENDMENT OFFERED BY MS. WATERS TO THE AMENDMENT OFFERED BY MR. SENSENBRENNER AND MR. CONYERS TO H.R. 4975

Page 3, line 1, insert ", and each covered legislative branch official described in subparagraph (B) or (C) of section 3(4)," after 'Member of Congress".

Page 6, line 14, insert ", or a covered legislative branch official described in subparagraph (B) or (C) of section 3(4)," after "Member of Congress".

Ms. WATERS. Thank you very much. Mr. Chairman and Members, this amendment is intended to make sure that the work that we are doing here today to reform the lobbying of this Congress is exactly what we wanted to do. We have a bill that is attempting to expand disclosure and to make sure that the public and others are informed about what we are doing so as to get rid of some of the problems that have confronted this Congress in recent months. And this bill is designed to add teeth. And my legislation, my amendment, would absolutely do that by simply including the word "staff" in the amendment. I yield back.

Chairman SENSENBRENNER. Does the gentleman from Texas insist upon his point of order?

Mr. SMITH. Yes, I do, Mr. Chairman.

Chairman SENSENBRENNER. State your point of order.

Mr. SMITH. Mr. Chairman, this amendment is not properly drafted, primarily because it seeks to amend the manager's amendment which has already been agreed to. And for those reasons, I am making the point of order.

Chairman SENSENBRENNER. Gentlewoman from California wish to be heard on the point of order?

Ms. WATERS. Let me just be clear. I am sorry to do this. I came in late. Has the manager's amendment been voted on and adopted?

Chairman SENSENBRENNER. Yes.

Ms. WATERS. Has the bill?

Chairman SENSENBRENNER. The bill has not been voted on. The bill is open for amendment at any point, but the point of order that the gentleman from Texas has raised is that the amendment proposes to amend a section of the bill that has already been amended.

Does the gentlewoman from California wish to be heard on the point of order?

Ms. WATERS. Well, then, I suppose that there is a misunderstanding. I thought this amendment would still be in order since the bill had not been adopted. I understand that that section has been closed. But I don't know why we can't have this amendment that should be accepted and in order at this point.

Chairman SENSENBRENNER. The Chair is prepared to rule

Mr. WEINER. Mr. Chairman, I just want to be heard.

Chairman SENSENBRENNER. Gentleman from New York wish to be heard on the point of order?

Mr. WEINER. The point of order is: This is a section that has already been amended?

Chairman SENSENBRENNER. Correct.

Mr. WEINER. Is there a limit on the number of times a section may be amended.

Chairman SENSENBRENNER. There is no limit, but it is only proper to—the Chair is prepared to rule. I will answer the question.

Ms. WATERS. Mr. Chairman, point of order.

Chairman SENSENBRENNER. The Chair has to rule on one point of order before another one can be raised. The Chair is prepared to rule on the point of order raised by the gentleman from Texas, Mr. Smith.

Section 38 of House practice provides that, quote, it is fundamental that it is not in order to amend an amendment previously agreed to, unquote. This rule is articulated in section 469 of the House manual. Because the manager's amendment, adopted by the

Committee, amended provisions of the underlying bill that the amendment seeks to change, it is not in order. The Chair sustains the point of order of the gentleman from Texas.

Are there further amendments?

Ms. WATERS. Mr. Chairman, I have an amendment.

Chairman SENSENBRENNER. The clerk will report the amendment.

The clerk does not have an amendment.

Are there further amendments?

Ms. WATERS. The amendment should be at the desk, Mr. Chairman.

Chairman SENSENBRENNER. The clerk says that there is no amendment by the—proposed amendment by the gentlewoman from California at the desk. Are there further——

Ms. WATERS. Mr. Chairman, the amendment is almost at the desk.

The amendment is at the desk.

Chairman SENSENBRENNER. The clerk will report the amendment which has made its way to the desk.

The CLERK. Amendment by Ms. Waters to the amendment offered by Mr. Sensenbrenner and Mr. Conyers to H.R. 4975.

Mr. SMITH. Mr. Chairman, I have a point of order.

Chairman SENSENBRENNER. Point of order observed by the gentleman from Texas. Without objection, the amendment is considered as—the Chair had better read the amendment because it has not been Xeroxed.

The CLERK. Insert at the end the following:

"as used in this bill the term 'Members of Congress' shall include any employee of a Member of Congress."

Chairman SENSENBRENNER. The gentlewoman is recognized for 5 minutes.

Ms. WATERS. Thank you, very much. This amendment would be added to the end of the bill that would simply clarify that when we reference "Member of Congress" that that also includes the staff. That is simply all the amendment does. And I am sure that all of my Members—all of the Members of this House would not want to have the confusion, that it is to be disclosed when there is a lobby in contact with the Member, and leave this gaping hole that somehow they don't have to disclose if the contact has been made with the staff.

That would simply be a trick. And we don't want to play a trick on the public about what we are attempting to do. So this is a very simple amendment that would take care of that. I ask for an aye vote.

Chairman SENSENBRENNER. Does the gentleman from Texas insist upon his point of order?

Mr. SMITH. Yes, I do Mr. Chairman.

Chairman SENSENBRENNER. State your point of order.

Mr. SMITH. Mr. Chairman, the point of order is the same as stated previously, and that is the amendment is not properly drafted, and the reason it is not properly drafted is because it seeks to amend the manager's amendment which has already been agreed to. And I yield back.

Chairman SENSENBRENNER. The Chair is prepared to rule for the same reason he sustained the previous——

Mr. BERMAN. Mr. Chairman.

Chairman SENSENBRENNER. The Chair is prepared to rule. For the same reason that the Chair sustained the previous point of order on the last amendment, the Chair sustains this point of order as well. Are there further amendments?

Mr. CONYERS. I rise to strike the requisite number of words.

Chairman SENSENBRENNER. Gentleman is recognized for 5 minutes.

Mr. CONYERS. Could I ask, is there some way that we could accommodate the gentlelady from California, who is simply trying to include staffers of Congress in the term "Member of Congress" as used in our amendment? I think it is a worthwhile effort. It has been frustrated by the rules of the House. But if we could accommodate this simple objective, I think we would all be better served.

Chairman SENSENBRENNER. If the gentleman will yield. If the gentleman from Michigan will yield, during the 5½ years that I have been honored to be the Chair of this Committee, I have found that the gentleman from Michigan and all of the minority party Members and the minority party staff have been very creative in drafting proper amendments. So I think that they ought to apply their creativity at this point in time, knowing that the rule—what the rules are and how the rules are enforced.

Ms. SANCHEZ. Mr. Chairman.

Chairman SENSENBRENNER. The time belongs to the gentleman from Michigan.

Mr. BERMAN. Would the gentleman yield?

Mr. CONYERS. Of course.

Mr. BERMAN. In that context, just looking at the gentlelady's amendment, I mean the irony is, in effect, the Chairman and the Ranking Member offer an amendment, a manager's amendment. Not an amendment in the nature of a substitute, but a manager's amendment.

I guess what really should have happened was that they should have sought to amend that amendment before it was adopted. But now that didn't happen. The amendment is adopted. And as to amendments that affect sections amended by the manager's amendment, the Chair is ruling that those amendments are no longer in order.

But this last amendment seeks to add at the end of the bill a clarification regarding the meaning of terms in the bill. And I would like to understand better why the Chair ruled that that amendment is also out of order.

Chairman SENSENBRENNER. Well, will the gentleman from Michigan yield again?

Mr. CONYERS. Of course.

Chairman SENSENBRENNER. In order to get this moving along, the Chair would ask unanimous consent that the caption that says "Amendment Offered by Ms. Waters to the Amendment Offered by Messrs. Sensenbrenner and Conyers to H.R. 4975" be stricken.

Ms. WATERS. That's right.

Chairman SENSENBRENNER. And, without objection, the Chair's unanimous consent request is agreed to and the gentlewoman from—gentlewoman from California has already been recognized on her amendment.

So, does anybody else——

Ms. SANCHEZ. Mr. Chairman, I have an amendment at the desk.

Chairman SENSENBRENNER. The current amendment that is pending is that of the gentlewoman from California, Ms. Waters.

Ms. SANCHEZ. Mr. Chairman, I withdraw my amendment.

Chairman SENSENBRENNER. All those in favor of the Waters amendment will say aye.

Opposed, no.

The ayes appear to have it.

Ms. WATERS. rollcall.

Chairman SENSENBRENNER. rollcall is ordered. Those in favor——

Ms. WATERS. I am sorry. Did we get it? Disregard that. Thank you.

Chairman SENSENBRENNER. The Chair is bending over to be fair in enforcing the rules.

Ms. WATERS. We appreciate that. Thank you.

Chairman SENSENBRENNER. You need a better attitude, Ms. Waters.

Ms. WATERS. Oh, you haven't seen me when I have a bad attitude.

Chairman SENSENBRENNER. Oh, yes, I have.

Are there further amendments? Gentleman from Virginia, Mr. Scott, for what purpose do you seek recognition?

Mr. SCOTT. Mr. Chairman, I have an amendment at the desk and I would also ask unanimous consent that the part of the amendment that says the "Amendment Offered by Mr. Sensenbrenner and Mr. Conyers" be deleted, so that it is an amendment to the bill.

Chairman SENSENBRENNER. The Clerk will—well, without objection, the gentleman's attempt to take Mr. Conyer's and my name in vain will be stricken, and the Clerk will report the amendment.

The CLERK. Amendment offered by Mr. Scott of Virginia to H.R. 4975:

At the end of the bill, new section: The GAO shall study——

Chairman SENSENBRENNER. Without objection, the amendment is considered as read. And will the gentleman from Virginia yield?

[The amendment follows:]

Amendment offered by Mr Scott (VA)

to the Amendment offered by

Mr Sensenbrenner and Mr Conyers to

H.R. 4975

at end of bill —

New section: The GAO shall study

employment contracts of lobbyists

to determine the extent

of contingent fee agreements

and report such findings to

the House Committee on

the Judiciary.

Mr. SCOTT. Yes.

Chairman SENSENBRENNER. Great amendment. I hope it is adopted. I thank the gentleman.

Mr. SCOTT. I yield back.

Chairman SENSENBRENNER. The question is on the amendment offered by the gentleman from Virginia, Mr. Scott.

Those this favor will say aye.

Opposed, no.

The ayes appear to have it. The ayes have it. The Scott amendment is agreed to.

Are there further amendments?

There are no further amendments. A reporting quorum is present. The question occurs on the motion to report the bill H.R. 4975 favorably, as amended.

All in favor say aye.

Opposed, no.

The ayes appear to have it.

Mr. CONYERS. Mr. Chairman, I would request a record vote.

Chairman SENSENBRENNER. Okay. A record vote is requested. The question is on the motion to report the bill H.R. 4975 favorably, as amended.

All in favor will, as your names are called, answer aye; and those opposed, no. And the clerk will call the roll.

The CLERK. Mr. Hyde.

Mr. HYDE. Aye.

The CLERK. Mr. Hyde, aye.

Mr. Coble.

[No response.]

The CLERK. Mr. Smith.

Mr. SMITH. Aye.

The CLERK. Mr. Smith, aye.

Mr. Gallegly.

Mr. GALLEGLY. Aye.

The CLERK. Mr. Gallegly, aye.

Mr. Goodlatte.

Mr. GOODLATTE. Aye.

The CLERK. Mr. Goodlatte, aye.

Mr. Chabot.

Mr. CHABOT. Aye.

The CLERK. Mr. Chabot, aye.

Mr. Lungren.

[No response.]

The CLERK. Mr. Jenkins.

Mr. JENKINS. Aye.

The CLERK. Mr. Jenkins, aye.

Mr. Cannon.

Mr. CANNON. No.

The CLERK. Mr. Cannon, no.

Mr. Bachus.

[No response.]

The CLERK. Mr. Inglis.

Mr. INGLIS. Aye.

The CLERK. Mr. Inglis, aye.

Mr. Hostettler.

Mr. HOSTETTLER. Aye.

The CLERK. Mr. Hostettler, aye.

Mr. Green.

Mr. GREEN. Aye.

The CLERK. Mr. Green, aye.

Mr. Keller.

Mr. KELLER. Aye.

The CLERK. Mr. Keller, aye.

Mr. Issa.

Mr. ISSA. Aye.

The CLERK. Mr. Issa, aye.

Mr. Flake.

[No response.]
The CLERK. Mr. Pence.
[No response.]
The CLERK. Mr. Forbes.
Mr. FORBES. Aye.
The CLERK. Mr. Forbes, aye.
Mr. King.
Mr. KING. No.
The CLERK. Mr. King, no.
Mr. Feeney.
Mr. FEENEY. Aye.
The CLERK. Mr. Feeney, aye.
Mr. Franks.
Mr. FRANKS. Aye.
The CLERK. Mr. Franks, aye.
Mr. Gohmert.
Mr. GOHMERT. No.
The CLERK. Mr. Gohmert, no.
Mr. Conyers.
Mr. CONYERS. No.
The CLERK. Mr. Conyers, no.
Mr. Berman.
Mr. BERMAN. Aye.
The CLERK. Mr. Berman, aye.
Mr. Boucher.
Mr. Berman, no?
Mr. BERMAN. [Nods in the affirmative.]
The CLERK. Mr. Nadler.
[No response.]
The CLERK. Mr. Scott.
Mr. SCOTT. No.
The CLERK. Mr. Scott, no.
Mr. Watt.
Mr. WATT. Aye.
The CLERK. Mr. Watt, aye.
Ms. Lofgren.
Ms. LOFGREN. No.
The CLERK. Ms. Lofgren, no.
Ms. Jackson Lee.
Ms. JACKSON LEE. No.
The CLERK. Ms. Jackson Lee, no.
Ms. Waters.
Ms. WATERS. Aye.
The CLERK. Ms. Waters, aye.
Mr. Meehan.
Mr. MEEHAN. No.
The CLERK. Mr. Meehan, no.
Mr. Delahunt.
[No response.]
The CLERK. Mr. Wexler.
Mr. WEXLER. Pass.
The CLERK. Mr. Wexler, pass.
Mr. Weiner.
Mr. WEINER. Pass.
The CLERK. Mr. Weiner, pass.

Mr. Schiff.
Mr. SCHIFF. No.
The CLERK. Mr. Schiff, no.
Ms. Sanchez.
Ms. SANCHEZ. No.
The CLERK. Ms. Sanchez, no.
Mr. Van Hollen.
Mr. VAN HOLLEN. Aye.
The CLERK. Mr. Van Hollen, aye.
Ms. Wasserman Schultz.
Ms. WASSERMAN SCHULTZ. Aye.
The CLERK. Ms. Wasserman Schultz, aye.
Mr. Chairman.
Chairman SENSENBRENNER. Aye.
The CLERK. Mr. Chairman, aye.
Chairman SENSENBRENNER. Members of the chamber who wish to cast or change their vote? Gentleman from North Carolina, Mr. Coble.
Mr. COBLE. Aye.
The CLERK. Mr. Coble, aye.
Chairman SENSENBRENNER. Further Members in the chamber who wish to—gentleman from California, Mr. Lungren.
Mr. LUNGREN. Aye.
The CLERK. Mr. Lungren, aye.
Chairman SENSENBRENNER. Gentleman from North Carolina, Mr. Watt.
Mr. WATT. Would it be appropriate to make a parliamentary inquiry?
Chairman SENSENBRENNER. Not during the rollcall.
Mr. WATT. Even if it is about the rollcall itself and——
Chairman SENSENBRENNER. The question is on——
Mr. WATT. That is what——
Chairman SENSENBRENNER.—the motion to report the bill, as amended, favorably.
Mr. WATT. Not just the section that was under our jurisdiction, the entire bill?
Chairman SENSENBRENNER. The question is on the motion to report the bill H.R. 4975 favorably, as amended.
Mr. WATT. In that case, Mr. Chairman, how am I recorded?
The CLERK. Mr. Chairman, Mr. Watt is recorded as aye.
Mr. WATT. I would like to be recorded no.
The CLERK. Mr. Watt no.
Chairman SENSENBRENNER. Gentleman from Florida, Mr. Wexler.
Mr. WEXLER. No.
The CLERK. Mr. Wexler, no.
Chairman SENSENBRENNER. Gentleman from Maryland, Mr. Van Hollen.
Mr. VAN HOLLEN. Mr. Chairman, this portion before on the Committee, how am I recorded.
The CLERK. Mr. Chairman, Mr. Van Hollen is recorded as aye.
Mr. VAN HOLLEN. I understand this is the whole bill. I vote no.
The CLERK. Mr. Van Hollen, no.
Chairman SENSENBRENNER. Further Members who wish to cast or change their vote? Gentleman from New York, Mr. Weiner.

Mr. WEINER. Mr. Chairman, no.

The CLERK. Mr. Weiner, no.

Chairman SENSENBRENNER. Gentlewoman from Florida, Ms. Wasserman Schultz.

Ms. WASSERMAN SCHULTZ. How am I recorded, Mr. Chairman?

The CLERK. Mr. Chairman, Ms. Wasserman Schultz is recorded as aye.

Ms. WASSERMAN SCHULTZ. Mr. Chairman, under what Mr. Van Hollen said as well, knowing that this is the entire bill, I would like to be recorded as no.

The CLERK. Ms. Wasserman Schultz, no.

Chairman SENSENBRENNER. Further Members who wish to cast or change their votes? If not, the clerk will report.

The CLERK. Mr. Chairman, there are 18 ayes and 16 nays.

Chairman SENSENBRENNER. And the motion to report favorably is agreed to. Without objection, the bill will be reported favorably to the House in the form of a single amendment in the nature of a substitute, incorporating the amendments adopted here today. Without objection, the staff is directed to make any technical and conforming changes and all Members will be given 2 days, as provided by the House rules, in which to submit additional dissenting supplemental or minority views.

I think we have put in a good day's work for a good day's pay. And, without objection, the Committee stands adjourned.

[Whereupon, at 11:20 a.m., the Committee was adjourned.]

DISSENTING VIEWS

We strongly dissent from the passage of H.R. 4975[1] in its present form.

Given the nature and climate of the recent scandals that have plowed through Washington, we as legislators have a job to do. If there is one thing that is clear in this debate, it is that there is certainly a need for a complete overhaul of the lobbying industry. A recent survey conducted by the non-partisan Center for Public Integrity evaluated the strength of lobbying disclosure laws nationwide and found that the current Federal laws on lobbying disclosure are considerably weaker than the lobby disclosure laws of 47 out of 50 states.

In order to fully address the problems created by the lobbying, ethics, and corruption scandals that have called into question the integrity of the House, we believe Congress needs to enact lobby reform legislation that sets new contribution and fund-raising limits on lobbyists and lobbying firms; fundamentally change the gift, travel and employment relationships among Members of Congress, lobbyists and lobbying firms; require disclosure of grass-roots and coalition lobbying and institute new and effective enforcement mechanisms. We also believe there needs to be an independent office or commission to oversee and enforce ethics rules and lobbying laws, receive allegations and complaints, conduct investigations and present cases to congressional ethics committees. It is for these reasons that non-partisan watchdog groups such as Public Citizen, Common Cause, Democracy 21, U.S. PIRG, and League of Women Voters have expressed great concerns regarding H.R. 4975 as a whole.

H.R. 4975 stops short of the very principles that Speaker Hastert and the Republican Caucus had originally unveiled in January 2006 as the core of what would have been their primary reform measure. The Majority replaced a complete ban on privately funded travel with only a temporary suspension. The Majority had initially proposed tightened gift limits on lawmakers, but H.R. 4975 merely proposes that new disclosure requirements for lobbyists who offer them is the solution. And instead of doubling the one-year lobbying ban for former lawmakers and staffers-turned-lobbyists, as they had proposed three months ago, H.R. 4975 merely requires the Clerk of the House to notify covered persons at the beginning and end of the cooling-off period. In fact, the proposal that was put forth by the Democratic leadership that same day would cover all

[1] The House Republican proposal on lobbying and ethics reform has been under discussion for months, with Rules Committee Chairman David Dreier (R-CA) taking the lead. On March 16, Rep. Dreier introduced H.R. 4975, the Lobbying Accountability and Transparency Act of 2006, as a single comprehensive bill. The bill was divided into pieces and parceled out to five different committees including the Judiciary Committee; House Administration; Rules; Government Reform; and the House Standards of Official Conduct Committee.

of the reforms that were initially suggested by the Speaker. For these and the following reasons, we dissent from H.R. 4975.

I. DESCRIPTION OF MAJORITY BILL

The legislation proposed by the Majority includes the following provisions:

- *Disclosure by Lobbyists:* The trigger for registering would change from $24,500 in lobby receipts in a 6-month period to $10,000 in a 3-month period. The bill also requires quarterly, electronic reporting by registered lobbyists, including disclosure of campaign contributions, gifts, and lobbyists' past congressional and executive branch employment, but does not include disclosure of expenditures for grassroots lobbying or coalitions.
- *Privately Funded Travel:* Privately funded travel would be banned for the remainder of the 109th Congress, and the Committee on Standards of Official Conduct would have to recommend new rules by Dec. 15.
- *Revolving Door:* The one-year waiting period for members and senior staff before they could become lobbyists would not be increased, however legislators would be required to inform the ethics committee of any job negotiations that could be a conflict of interest, and refrain from voting on any matter that creates the appearance of a conflict of interest.
- *Earmarks:* The bill would require the identification of sponsors of earmarks in an appropriations bill, and appropriations conference reports would have to specify earmarks that originated in conference, but there would be no simple method of challenging earmarks.
- *Oversight:* The bill would create an auditing authority for the House Inspector General to do spot audits on lobby disclosure forms.

At the markup, we were able to develop a bipartisan provision concerning the areas of Judiciary Committee jurisdiction—principally the Lobby Disclosure Act. That amendment would require additional quarterly disclosures by lobbyists, including disclosures of the names of Federal candidates and office holders, their leadership PACs or political committees for whom fundraising events are hosted by lobbyists, and information regarding payment for events honoring Members. The amendment also provides for criminal penalties for knowing, willful, and corrupt violation of these provisions.

The Committee also accepted amendments to require lobbyists and treasurers who are registered lobbyists to disclose solicitations of PAC campaign contributions, in addition to the name of the person who the lobbyist solicited the money from and the identity of the candidate or PAC involved, and to require the GAO to study the employment contracts of lobbyists to determine the extent of contingent fee agreements and report such findings to the House Committee on the Judiciary. Unfortunately, we now understand that the Majority Leadership has determined to weaken even these modest enhancements by making numerous changes to the version to be considered on the House Floor. Namely, the Majority Leader-

ship has decided to remove the language that would require disclosures of the names of Federal candidates and office holders, their leadership PACs or political committees for whom fundraising events are hosted by lobbyists, and information regarding payment for events honoring Members, that was agreed to during the Committee markup.

II. BACKGROUND AND CURRENT LAW

The Lobbying Disclosure Act of 1995 requires lobbyists and lobbying firms, as defined in the Act, to register with the Secretary of the Senate and the Clerk of the House within 45 days after making lobbying contacts or being employed to make such contacts.[2] These lobbyists also must submit semi-annual reports identifying their clients and employers, the costs of lobbying, and the issues on which they lobbied.[3] The Secretary of the Senate and the Clerk of the House are responsible for reviewing and, where necessary, verifying the correctness of registrations and reports that are made, and are further required to make the registrations and reports available for public inspection and copying.[4]

Under current law, the Secretary and the Clerk must notify in writing any lobbyist or lobbying firm of noncompliance with registration and reporting requirements, and must further notify the U.S. Attorney for D.C. of such noncompliance if the lobbyist or lobbying firm fails to remedy its noncompliance within 60 days notice to it. Whoever knowingly fails to timely remedy a defective filing within 60 days after notice of such defect has been given by the Secretary or the Clerk, or knowingly fails to comply with any other provision of the Act, is subject to a fine (civil penalty) of no more than $50,000.

There is mounting evidence that LDA compliance has been lax and lobbyists have been finding ways to avoid LDA requirements altogether. In a major study of the federal lobbying industry that was published in April 2005, the Center for Public Integrity found that since 1998, lobbyists have spent almost $13 billion to influence members of Congress and other federal officials on legislation and regulations.[5] The same study found that in 2003 alone, lobbyists spent $2.4 billion, with expenditures for 2004 expected to grow to at least $3 billion.[6] This is roughly twice as much as the amount that was spent on campaign finance in the same time period.[7]

The LDA contains some measures to help prevent inappropriate influence in the lobbying arena and promote sunshine on lobbying activities.[8] However, according to the Center's study, compliance

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[2] 2 U.S.C. §§ 1602(9), (10); 2 U.S.C. § 1603.

[3] 2 U.S.C. § 1604.

[4] 2 U.S.C. § 1605.

[5] The Center for Public Integrity, *Industry of Influence Nets Almost $13 Billion: Shadowy Lobbyists Ignore Rules and Exploit Connections* (Apr. 7, 2005).

[6] *Id.*

[7] *Id.*

[8] Under the LDA, entities or individuals that meet the definition of "lobbyist" must register with the Secretary of the Senate and Clerk of the House within 45 days after making lobbying contacts or being employed to make such contacts. 2 U.S.C. §§ 1602(9), (10); 2 U.S.C. § 1603. These lobbyists also must submit semi-annual reports identifying their clients and employers, the costs of lobbying, and the issues on which they lobbied. 2 U.S.C. § 1604. The Secretary of the Senate and the Clerk of the House are responsible for reviewing and, where necessary, verifying the correctness of registrations and reports that are made, and are further required

Continued

with these requirements has been lacking. For example, the Center found:

- During the last six years, 49 out of the top 50 lobbying firms have failed to file one or more of the required forms;
- Nearly 14,000 documents that should have been filed are missing;
- Almost 300 individuals, companies, or associates have lobbied without being registered;
- More than 2,000 initial registrations were filed after the allowable time frame; and
- In more than 2,000 instances, lobbyists never filed the required termination documents at all.[9]

Further, under the LDA, the Secretary of the Senate and the Clerk of the House must notify in writing any lobbyist or lobbying firm of noncompliance with registration and reporting requirements, and they must also notify the U.S. Attorney for the District of Columbia of the noncompliance if the lobbyist or lobbying firm fails to respond within 60 days of its notification.[10] It appears that until very recently, however, these cases of noncompliance were not being referred to the Department of Justice for enforcement.[11] It is also clear that the enforcement actions that are actually being investigated by the Secretary or the Clerk do not match up with the extent of noncompliance, and it is entirely unknown whether enforcement actions are being effectively pursued by the Department of Justice.

III. CONCERNS WITH LEGISLATION

A. The Current Broken Revolving Door Policy Remains Unchanged

Under current law, former Members of Congress are required to wait one year from the time they leave office until they can personally make any lobbying contacts with their former colleagues. This is known as the "cooling-off period" and is designed to reduce a government official's ability to leverage networks and information gained while in public service for personal benefit or the benefit of clients.

By extending the cooling-off period to two years, which is the same length of time as a full congressional term as the Democratic bill proposes, this would mean that a former Member would have to wait until the next term of Congress convenes before he or she could begin to personally lobby Members and staff. This type of restriction would effectively limit a former Member's ability to immediately cash in on the influence acquired while serving in Congress.

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to make the registrations and reports available for public inspection and copying. 2 U.S.C. § 1605.

[9] The Center for Public Integrity, *Industry of Influence Nets Almost $13 Billion: Shadowy Lobbyists Ignore Rules and Exploit Connections* (Apr. 7, 2005).

[10] *Id. See also,* Connors, *Complying with the Lobbying Disclosure Act of 1995,* 45 Prac. Law. 15 (1999).

[11] In fact, it was only under increasing public scrutiny that the Secretary of the Senate last year indicated that her office decided to refer at least some matters of noncompliance to Justice. *See, Is it Time for a Lobbying Law Upgrade?,* the NATIONAL JOURNAL (Jan. 8, 2005). The number and nature of the cases referred remain confidential, and the Justice Department has a policy of not disclosing when, if or how any such matters are resolved. It is not clear whether enforcement actions pursued by the Secretary, the Clerk, or the Department of Justice match up with the extent of noncompliance. *Id.*

Unfortunately, H..R. 4975 does nothing to curb the revolving door.[12]

B. Privately-Sponsored Travel and Gifts are Still Allowed

H.R. 4975 provides for the House Ethics Rules to recommend travel rules for Members by December 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 increased in prominence over the last decade.

While H.R. 4975 provides for a temporary suspension of privately-funded trips for Members, 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. Under this approach, the temporary suspension of privately-funded trips could be ended after the November elections without any direct vote occurring on ending the suspension or on adopting travel rules for future years. This could be done by simply incorporating changes in the travel rules into the full package of House rules submitted to the House for a single up-or-down vote by Members at the outset of the new Congress in January 2007. The legislation also fails to prevent corporations from making their company planes available for Members' trips at deeply-discounted costs.

In addition, H.R. 4975 does not ban the giving of gifts to Members and staff that are perceived by many as playing a role in influencing congressional decisions, and it does not close the huge loophole in the current gift rules that allows lobbyists, corporations, and others to spend $50,000, $100,000 or more, to finance lavish parties at the party conventions to "honor" a Member.

C. H.R. 4975 Does Not Close the Gap on Grassroots and Coalition Lobbying

Beyond traditional "direct lobbying" of officials by paid professional lobbyists, a major and growing amount of money is being consumed by grassroots lobbying, where the general public is encouraged to influence specific policymakers without limitation or scrutiny. In addition, corporations, unions and special interest groups will frequently form associations to lobby on their behalf. These associations can spend millions on direct lobbying as well as grassroots lobbying without clearly identifying the major interests that are financing the lobbying activities. For example, according to the non-partisan watchdog group, Public Citizen, the "60 Plus Seniors Association" claims to have had 225,000 contributing members in 2002. But a redacted Form 990 disclosure form shows that 91% of the association's total revenues came from a single, undisclosed source.

Unfortunately, H.R. 4975 fails to expand the Lobbying Disclosure Act to include those paid grassroots lobbying activities that are directed at the general public (rather than at an organization's members, employees, officers, or shareholders), while creating an exception that would protect the privacy of unpaid citizen lobbyists. The

[12] Currently 43 percent of all retiring and former Members of Congress immediately become lobbyists and are able to lobby after one year regarding congressional decisions.

only way to hold these "stealth lobbying coalitions" accountable is to include language that would make the constituent members of these lobby associations more visible by requiring disclosure of the organizational entities supporting these lobbying associations. H.R. 4975 does not cover this major loophole in the current law that would allow the lobbying activities of paid grassroots groups and coalitions whose primary purpose is to lobby on the specific issue to go unchecked.

IV. DESCRIPTION OF DEMOCRATIC ALTERNATIVE

On January 18, 2006, the Democratic Leadership introduced H.R. 4682, the Honest Leadership and Open Government Act, a comprehensive government reform plan that we believe will clean up and protect the government from the currently widespread culture of corruption and quid pro quo politics. As of April 25, 2006, it had been cosponsored by 163 Members.

The Honest Leadership and Open Government Act offers the following reforms:

- Bans gifts, including gifts of meals, tickets, entertainment and travel, from lobbyists and non-governmental organizations that retain or employ lobbyists; prohibits lobbyists from funding, arranging, planning, or participating in congressional travel.
- Prohibits Members from using corporate jets for official travel at the cost of a first class ticket rather than paying the full charter rate; requires Members to disclose information about the flight in the Congressional Record including the owner or lessee of the aircraft; who else was on the flight; and the reason a commercial airliner was not used.
- Makes it both a criminal offense and a violation of the Rules of the House for Members to take or withhold official action, or threaten to do so, with the intent to influence private employment decisions on the basis of party affiliation.
- Prohibits former members, executive branch officials and senior staff from lobbying their former colleagues for 2 years and requires Members and senior staff to disclose outside job negotiations.
- Requires lobbying reports, with much more information, to be filed on a quarterly basis (rather than semi-annually) and in an electronic format, fully searchable on the Internet; increases civil and criminal penalties for lobbyists who violate the rules.
- Expands reporting to include paid grassroots lobbying activities directed at the general public (rather than at an organization's members), while protecting the privacy of unpaid citizen lobbyists.
- Prevents secret "back-door lobbying" by requiring members of lobbying coalitions to report their involvement and requiring disclosure of the organizations that provide financial support to lobbying associations.
- Establishes a new office of public integrity within the House of Representatives, and charges the office with auditing and

investigating compliance with lobbying disclosure rules and, if necessary, referring matters to the United States Attorney.

- Mandates public disclosure of which Members sponsor earmarks and disclosure of whether Members have a financial interest in the earmark; prohibits any Member from offering or withholding an earmark to influence how another Member votes.

Unfortunately, the Majority failed to include these provisions in the base text of H.R. 4975.

CONCLUSION

The recent round of lobbying scandals demonstrates that current mechanisms, from the congressional ethics process to campaign finance regulation to gift and travel restrictions, are simply inadequate to protect against corruption. Both members of the Majority and Minority have acknowledged that in order to respond to this problem it is necessary that we enact legislation that would effectively reform the lobbying process and begin to rebuild public confidence in Congress. H.R. 4975 does not come close to meeting that test, and we dissent from its adoption.

Description of Amendments Offered by Democratic Members

During the mark-up six (6) amendments were offered by Democratic members, including a bipartisan Manager's amendment that was offered by the Chairman and Ranking Member. The following section provides a brief description of each of these amendments:

1. Sensenbrenner/Conyers Manager's Amendment

Description of Amendment: The amendment makes several improvements and necessary clarifications to the bill. The manager's amendment requires additional quarterly disclosures by lobbyists, including disclosures of the names of Federal candidates and office holders, their leadership PACs or political committees for whom fundraising events are hosted by lobbyists, and information regarding payment for events honoring Members. The amendment also provides for criminal penalties for knowing, willful, and corrupt violation of these provisions.

Vote on Amendment: The amendment was adopted by voice vote.

2. Meehan Amendment

Description of Amendment: The amendment requires disclosure of lobbying activities that involve direct contact with Congress by professional grassroots lobbying firms that are retained to spend money on media campaigns to support or oppose legislation. The requirements would not apply to grassroots organizations that mobilize their memberships to petition the Government.

Vote on Amendment: The amendment was ruled not germane.

3. Meehan Amendment

Description of Amendment: The amendment expands the current 1-year waiting period before Members of Congress and senior Government employees can make lobbying contacts with Congress to 2 years.

Vote on Amendment: The amendment was ruled not germane.

4. Van Hollen Amendment

Description of Amendment: The amendment requires registered lobbyists to disclose information on any contributions they solicited and transferred to a candidate or political committee. Additionally, registered lobbyists who serve as the treasurer of the election committee of a candidate for a federal office or as treasurer or chairman of a political committee, would be required to disclose those affiliations to the Secretary of the Senate and the Clerk of the House.

Vote on Amendment: The amendment was adopted by a vote of 28–4. Ayes: Representatives Sensenbrenner, Hyde, Coble, Smith, Gallegly, Goodlatte, Chabot, Jenkins, Inglis, Green, Keller, Issa, Forbes, Conyers, Berman, Nadler, Scott, Watt, Lofgren, Jackson Lee, Waters, Meehan, Wexler, Weiner, Schiff, Sanchez, Van Hollen, Wasserman Schultz, Nays: Representatives Hostettler, King, Franks, Cannon.

5. Waters Amendment

Description of Amendment: The amendment clarifies that lobbying contacts with Members of Congress and "covered legislative branch officials," which would include their staff, be disclosed.

Vote on Amendment: The amendment was adopted by voice vote.

6. Scott Amendment

Description of Amendment: The amendment requires the GAO to study the employment contracts of lobbyists to determine the extent of contingent fee agreements and report such findings to the House Committee on the Judiciary.

Vote on Amendment: The amendment was adopted by voice vote.

JOHN CONYERS, Jr.
JERROLD NADLER.
ROBERT C. SCOTT.
MELVIN L. WATT.
ZOE LOFGREN.
SHEILA JACKSON LEE.
MARTIN T. MEEHAN.
ROBERT WEXLER.
ANTHONY D. WEINER.
ADAM B. SCHIFF.
LINDA T. SÁNCHEZ.
CHRIS VAN HOLLEN.
DEBBIE WASSERMAN SCHULTZ.

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