From: Jeremy Kalin
To: mdove@fec.gov
Subject: Draft Advisory Opinion 2007-31
Date: 12/13/2007 11:01 AM

Minnesota House of Representatives
State Representative Jeremy Kalin
District 17B, Chisago County

Energy Policy and Finance Division
Transportation Finance Division
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December 13, 2007

Commission Secretary
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Rosemary C. Smith
Associate General Councel
Office of General Councel
Federal Election Commission
999 E Street, NW
Washington DC 20463

Re: Draft Advisory Opinion 2007-31

Dear Chairman Lenhard:

I write to you concerning the Federal Election Commission (FEC) Draft Advisory Opinion 2007-31. I believe the spirit and intent of the relevant rule, 11 CFR 9034.3, including subd. (f), is to encourage the involvement of small-amount individual donors.

As a member of the Minnesota House of Representatives, and a member of the House Government Operations Reform, Technology and Elections Committee, I bring a unique perspective to the value of small-amount, individual campaign contributors. As you probably know, Minnesota's Political Contribution Rebate (PCR) program encourages small-amount donations by allowing every Minnesota voter a once-a-year rebate for political contributions to candidates for constitutional office, with a maximum $50 rebate per person, per year. This donation is in essence a 6-week loan that is repaid by the State of Minnesota upon their PCR application.

To participate in the PCR program, the candidate must sign a public subsidy agreement and limit campaign expenditures to approximately $32,000 for a State House. Further, contributions from Political Action Committees, large donors (above $250, with a maximum of $500 per person) and other lobbyists are limited to 20% of the spending limit. These rigorous spending limits encourage candidates to focus on positive, issue-oriented campaigns. With limited resources, negative attacks are generally not rewarded by voters as much as substantive discussion.

The benefit of the small-donor PCR program is the engagement of a large number of individuals who otherwise would likely not participate directly in a political campaign. Citizens in my community and around the state have expressed to me how much they feel invited into the political process. Literally hundreds of new donors who supported me in my campaigns now help keep me accountable in the Legislature; though I am a Democrat, this group includes life-long Republicans and those who have never affiliated with a particular political party.

As I like to say, if anyone should own candidates and elected officials, the people should.

Short of a public financing system with a level playing field between candidates regardless of the depth of their own pockets, we have an obligation to support, via statute, rule and administrative opinion, a system that encourages and welcomes small-amount individual donors.

As you know, FEC policy and regulations must conform to the unambiguous intent of federal election law. I believe that individual contributions to Presidential candidates made using PACs as responsible, legal fiscal conduits should be matchable pursuant to the Federal Matching Payment

Act. Holding otherwise, as contemplated in the Draft Opinion, will confuse voters, ignore the clear intent of the law, and arbitrarily and capriciously abridge citizens' First Amendment rights.

Using third party conduits to legally, efficiently, and inexpensively process credit card transactions is a fact of life in today's economic and political marketplace. The US Supreme Court has held the right to make political contributions is constitutionally protected under the First Amendment. Allowing voters to use credit cards to contribute to campaigns via websites and other methods has given a voice to millions of citizens otherwise removed from the political process.

American political campaigns stand at a crossroads. Even with McCain-Feingold campaign finance reform laws, the 20th cwith an alarming influence of large-money donors and special interest
PACs. The 21st century has opened with the slowly-growing rumble of an active and engaged grassroots citizenry, paying attention like nothing we’ve seen in generations.

Candidates at all levels and of all stripes increasing rely on the support of small-amount individual donors. Governor Howard Dean’s 2004 presidential campaign shocked the nation by raising the majority of his $41 million through small donations, contributed via the internet. Republican Congressman Ron Paul’s supporters contributed a stunning $4.2 million in one day, nearly entirely online, catapulted his campaign from historical footnote to serious contention.

Much like Minnesota’s PCR program, the purpose of the Matching Payment Act was to open up the political process and encourage civic participation, not to arbitrarily segregate and discriminate against certain contributors based solely on the type of widely accepted financial transaction method they chose. Indeed, such segregation and discrimination will confuse voters and chill political speech and contributions.

Please keep the process open. Honor the intent of the law. Carve out an exception for these entities that treats legal individual contributors legally regardless of the specific payment mechanism.

Sincerely,

Jeremy Kalin
State Representative

Jeremy Kalin
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