

## Soft money for party conventions

By Michael E. Toner, 8/7/2003

THE FEDERAL Election Commission recently adopted final rules that will allow convention city host committees to continue raising and spending soft money to provide critical civic services -- including security, transportation, and logistical support -- for the Democratic and Republican national conventions next year. In doing so, the FEC wisely rejected contentions that the new campaign finance law made these activities illegal and preserved the ability of the national parties and the cities who host them to hold successful and secure conventions. Many people from the campaign finance reform community argued that the Bipartisan Campaign Reform Act of 2002, commonly known as the McCain-Feingold law, made it illegal for convention city host committees to raise and spend soft money for convention activities. They also argued that McCain-Feingold barred federal candidates and officeholders from soliciting soft money on behalf of host committees.

Senator John McCain of Arizona and the other congressional sponsors of the new law filed comments last year with the FEC stating that the new law "prohibit[s] the national parties from raising or directing soft money contributions for or to host committees for the political conventions." They contended that the new law "places tight restrictions on the use of soft money for political conventions."

However, during the rulemaking process, the FEC noted that prominent members of Congress who voted for McCain-Feingold disagreed with the sponsors' views and did not believe the new law made it illegal for federal officeholders to solicit soft money for convention host committees. The commission noted that Senator Edward M. Kennedy has been involved in highly publicized efforts to raise \$20 million in corporate donations for the Boston Host Committee. The commission also recognized published reports indicating that Senator John Kerry has likewise assisted in raising soft money donations for the Boston convention effort.

The commission correctly concluded that McCain-Feingold did not change how national conventions are financed or the legal ability of members of Congress, such as Kennedy and Kerry, to raise soft money for convention host committees.

There is not a single reference in McCain-Feingold to the financing of national conventions or to convention host committees. Moreover, there was virtually no debate in Congress on these issues when the law was enacted. It is inconceivable that Congress, in passing the new campaign finance law, would have intended to transform the way national conventions are financed without extensive debate occurring on the House and Senate floor. It is also inconceivable that federal officeholders, such as Kennedy and Kerry, would raise soft money for the Boston host committee if they believed it was illegal for them to do so under McCain-Feingold.

In rejecting the argument that host committees should be regulated as partisan political organizations, the commission observed that historically prominent members of the opposing party have played major roles in convention host committees. For example, in 2000, Ed Rendell, who was then the mayor of Philadelphia, and is now the Democratic governor of Pennsylvania, was actively involved in the host committee for the Republican National Convention. In addition, David L. Cohen, who was a longtime aide to Rendell, chaired the 2000 host committee for the Republican National Convention. Similarly, Noelia Rodriguez, former deputy mayor to Mayor Richard Riordan, and now press secretary for first lady Laura Bush, served as executive director of the Los Angeles host committee for the 2000 Democratic National Convention.

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The commission also abolished an archaic rule that required individuals, corporations, and labor organizations to live or do business in the convention locality to contribute to a host committee. Such a locality rule was of dubious validity in the global economy of the 21st century. Equally important, the rule made it much more difficult for smaller and mid-size cities, whose corporate and business presences are not as great as the nation's largest cities, to host national conventions. Given that Boston's corporate presence is not as large as New York's, it may have also been difficult for the Boston host committee to raise sufficient resources for next year's Democratic convention had the FEC not abolished the locality requirement. The commission has now put all cities -- no matter what their size -- on an equal fund-raising footing.

The FEC has made clear that host committees can continue to raise and spend soft money to provide the critical civic and security services required to stage a national convention today, and federal officeholders are able to help host committees raise resources without threat of prosecution under the McCain-Feingold law. Michael E. Toner is commissioner of the Federal Election Commission. He served as general counsel to the Bush-Cheney 2000 Campaign.

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