



Committee for Economic Development

MAKING WASHINGTON WORK

The undersigned, a steering committee acting on behalf of a subcommittee of Trustees of the Committee for Economic Development, wish to announce the formation of a task force that will engage in a yearlong effort to understand why the political process in Washington, D.C. is failing and to propose and advocate policies and/or laws that can make the system work.

"Making Washington Work" will be one of the most significant projects in the 65-year history of CED.

- We begin this effort to deal with the hostility and paralysis we see in our national government. Institutional political Washington has degenerated to the point where civic debate has become uncivil invective; analysis has been displaced by ideology; and vital public issues are not solved, but rather stored for future partisan use. The disappearance of what we call the Vital Center is a threat to our firms, our shareholders, our employees, our customers, our fellow voters, and ultimately our democracy – a threat that is unique and extreme in our experience. We cannot be silent when so much is at risk.
- As members of the business community, we believe that an important reason why America is more prosperous than the rest of the world, and why it has become ever more prosperous over time, has been our nation's broad agreement on the need to work toward consensus on public issues according to widely accepted rules of behavior. The nation cannot assume that this consensus is eternal; all of us must defend and nurture it. The members of this task force see the breakdown of the political process in Washington as a very real threat toward this consensual foundation of our nation's prosperity. If government cannot address the key, crucial issues of our time, business – and workers, and our entire economy – will suffer.
- The inability of our political system - in the absence of a vigorous, bipartisan center - to address effectively such known and crucial issues as the rising accumulation of public debt, ballooning and crippling health-care costs, a looming Social Security shortfall, an education system that leaves too many of our children behind world standards, and serious energy and environmental problems is a scandal of monumental proportions. The system that cannot confront these visible challenges will surely lack the reserves of comity and trust to face any unknown and sudden – and perhaps even more dangerous – crises.
- Many Members of Congress talk publicly of this problem, and many promise reform. We do not doubt their motives or their merit as individuals. Nor do we question the role of leaders who have strong ideological views; they play a legitimate and important role in the policymaking process. However, we believe that partisan debate has become so rancorous that it prevents the resolution of our most important public problems, and we see no prospect today that our institutions will deal with this crisis on their own. We intend to demand, publicly and repeatedly, that our elected representatives on both sides of the aisle and in both the Congress and the Executive show that they are attempting to solve the very real problems we face and not simply storing up points for some future campaign.

- At the same time, we believe that specific parts of our political process are not working. In our view, serious and immediate reform is needed with respect to six critical issues. We will explore these issues to understand better how best to deal with them, but we do so in the firm belief that serious action on all six is long overdue. We also pledge individually and collectively to make every possible effort to effect the changes that we will recommend:

1. **The Role of Lobbyists:** Lobbying in Washington has grown to a degree that many find alarming. The number of registered lobbyists has soared – from 16,342 in 2000 to 34,785 in 2005. In 1998, registered lobbyists reported spending \$1.427 billion; in 2004, lobbyists spent at least \$2.128 billion on reported activities, but probably three to four times more in “grassroots lobbying” and other unregulated efforts. This is at least \$5 million per year for every Member of Congress. It is clear that the enormous escalation of lobbying expenditures is directly related to the ability of lobbyists to get substantial federal appropriations (or tax benefits) for their clients. **We firmly believe that the ability of a single Member of Congress to direct funds to a lobbyist’s clients must be curbed.** Questions we will address include:

- Do we need new rules to achieve transparency on the access of lobbyists to Members of Congress?
- Should there be limits on the ability of lobbyists to raise campaign funds for Members of Congress, and then secure federal funds for their respective clients?
- Should there be new restrictions on the ability of Members to retire to careers of lobbying?

2. **Ethical Behavior:** What practical steps can be taken to stop the apparent gross misbehavior of some Members of Congress and those who deal with them as lobbyists, constituents or wealth seekers, and the failure of the Congress to police itself?

- Should Congress impose on itself restrictions and reporting requirements similar to those it has placed on lobbyists?
- Should privately funded Congressional travel be restricted, either with all allegedly worthwhile trips paid for transparently with public funds, or through enhanced disclosure of private funding?
- Is there any good reason why Congress should not have oversight from an independently managed Office of Public Integrity?
- Is it time for Congress to adopt a "Sarbanes-Oxley" for itself?

3. **Legislative Procedural Maneuvers:** Procedural changes have been made in Congress itself that have, in the view of many, undermined the normal legislative process. While current concerns focus on today's Congressional leadership, the same tactics were practiced in the past, and an apparent cycle of alleged past abuse and continuing retribution has infected the Congress. Thus, this process cannot be blamed solely on one political party. These alleged abuses include:
 - The long-term decline, over decades and changes in influence between the two parties, in the ability or willingness of Congress to make thorough use of its oversight powers to keep the Executive Branch in check;

- The increasing use of House Rules to deny the minority a full debate or effective votes, and to alter legislation passed by the Committees of jurisdiction;
- The increasing use of filibusters, amendments, and holds to clog the legislative work in the Senate;
- The breakdown of the budget process;
- Heavy reliance on riders and earmarks to must-pass appropriation bills as a crutch to act on significant policy issues, often late at night, out of the public view;
- The growing tendency toward government by Continuing Resolution; and ultimately,
- The lack of true bipartisanship and the polarization of Congress.

Is there any effective action that the Congress should be taking to protect itself now and in the future from these apparent abuses?

4. **Earmarks:** The recent ballooning of “earmarks” in the actions of Congress – appropriations, authorizations, and tax legislation – may be the most offensive legislative manipulation, and possibly the most egregious of all forms of misbehavior by Members of Congress. The Congressional Research Service identified some 3,000 earmarks worth \$19.5 billion enacted in 1996. By 2005, the number of earmarks had grown to almost 13,000, valued at \$64 billion, and that is only for appropriations bills. No doubt there are instances in which Congress has legitimate reason to specify how money is spent. However, many recent earmarks appear to have been inserted into legislation without public debate, notice or attribution. A criminal conviction has been built on an exchange of earmarks for personal cash and in-kind payments, and earmarks have been associated with, if not causally linked to, campaign contributions and the exercise of the power of incumbency. This task force will consider whether how earmarks can be brought under better control:
 - Should there be significant public notice before any earmark is inserted into legislation?
 - Should the sponsor of any earmark be identified, and any relationship between that sponsor and the recipient of the earmark explained?
 - Should a small number of the Members of the House or the Senate be empowered to require a roll-call vote on any earmark?

5. **Redistricting Abuse:** The House has been redistricted to safe seats (99.5% of the incumbents in 2004 won reelection). The creation of these safe House districts has led to the election of increasingly “ideologically pure” Representatives with little institutional loyalty, and an unprecedented degree of homogeneity within the two parties. This has made the party primary, with a traditionally low turnout dominated by activist voters, the election that counts. More moderate voters are easily shut out of the process; appeals to the “base” drown out serious debate on broad issues of national concern. This has increased the importance of ideology in legislating and lobbying activities – creating deadlock, a divided, partisan and mean-spirited House with few moderates in the middle, and a lack of comity and

civility in the way decisions are made in Washington. Individually, but often through implicit cooperation, our political parties are establishing electoral districts that effectively eliminate the right to vote of those who live in districts in which their candidates can never be elected. In effect, the Representatives choose their voters, not the other way around. We will examine the effect of the rules and/or laws of those States that have limited the questionable redistricting practices that have been undertaken recently in Texas, California and other States. We will consider whether the Federal Government or individual States should adopt responsible limits on redistricting.

6. ***How Money Is Raised and Spent:*** Campaign costs have become so monumental that Members must spend most of their time raising money, leaving less time for legislating and working with their fellow legislators. With fewer Members in town, the infamous "Tuesday-through-Thursday Club" is all too real. This year, the House is on track to spend only 97 days in session, the smallest number in 60 years, and fewer than the 108 days by the 1948 "Do-Nothing Congress." This is far too little time to address our looming monumental challenges, and also for the Members of Congress to know each other and to learn to work together. Some would argue that ethical problems arise in part because Members of Congress are paid too little – at least by Washington standards, where a first-year associate at a corporate law firm earns about as much. But the American people most likely would not act on this assertion while job performance and the duration of the Congressional work year are so low.
 - Is too much money being spent for elections?
 - Are there beneficial institutional ways to cut the cost of campaigning?
 - Are new steps needed to restrict campaign contributions? Are further efforts to restrict contributions likely to be constitutionally suspect or ineffective?
 - Should we instead develop new and more benign sources of money that are easier to access and that will substantially reduce the role of the fundraising lobbyist? For example, although CED has decried the often-abused 527 committees, we have long favored encouraging small campaign contributions, and have advocated as much as a four-to-one match of public dollars to private individual campaign contributions of up to \$250. Is this type of Federal campaign funding more desirable than our present system?
 - ***Leadership PACs*** are a major part of the question of whether money is being raised and spent appropriately. Growing numbers of Members of Congress have formed "Leadership PACs" to accumulate more money than would otherwise be legally allowed to assist other campaigns and causes. A significant number of these PACs are managed by lobbyists who have business with the Members of Congress whose PACs they manage. It is alleged that the choice of a Member to chair a Committee may depend on his or her ability to raise significant funds in a Leadership PAC. Is this a serious problem?

We will issue statements during the coming year as we consider these issues and the relevant facts. While we cannot know now what our effort will recommend, we are certain that far better transparency and accountability are essential.

We will issue frequent fact sheets on these issues, to share the data that emerge from our research. To date, we have found the facts to be provocative and troubling, as the discussions above make clear.

We will survey other business leaders to learn their views, and will hold public issue forums in Washington and around the country to raise awareness of this crisis of government performance.

Signed:

John Brademas
William E. Brock
W. Bowman Cutter
Roderick M. Hills
Edward A. Kangas
Rick Lazio
Norman J. Ornstein
Leon E. Panetta



Endorsers of the CED “Making Washington Work” Proclamation

Below is a list of the 94 CED Trustees and their colleagues who have endorsed CED’s *Making Washington Work* Proclamation. As of November 9, 2006.

Paul A. Allaire
Retired Chairman
Xerox Corporation
Stamford, CT

Ian Arnof
Chairman
Arnof Family Foundation
Carmel, CA

Deborah Hicks Bailey
Chairman and CEO
Solon Group, Inc.
Grenada, MS

Edward N. Basha
Chief Executive Officer
Basha Grocery Stores
Chandler, AZ

Alan Belzer
New York, NY

Peter A. Benoliel
Chairman Emeritus
Quaker Chemical Corporation
Conshohocken, PA

Roy J. Bostock
Chairman
Sealedge Investments, LLC
Greenwich, CT

Stephen W. Bosworth
Dean, Fletcher School of Law and
Diplomacy
Tufts University
Medford, MA

John Brademas
President Emeritus
New York University
Former Congressman (D-IN)
New York, NY

Senator William E. Brock
Founder and Senior Partner
The Brock Offices
Former U.S. Senator (R-TN)
Annapolis, MD

Donald R. Caldwell
Chairman & Chief Executive
Officer
Cross Atlantic Capital Partners
Radnor, PA

David A. Caputo
President
Pace University
New York, NY

Robert B. Chess
Chairman
Nektar Therapeutics
San Carlos, CA

Carolyn Chin
Chairman and Chief Executive
Officer
Cebiz
Fort Lauderdale, FL

Kathleen B. Cooper
Dean, College of Business
Administration
University of North Texas
Denton, TX

W. Bowman Cutter
Managing Director
Warburg Pincus LLC
New York, NY

Kenneth W. Dam
Max Pam Professor Emeritus of
American and Foreign Law
The University of Chicago
Chicago, IL

Ronald R. Davenport
Chairman of the Board
Sheridan Broadcasting Corporation
Pittsburgh, PA

Richard J. Davis
Senior Partner
Weil, Gotshal & Manges LLP
New York, NY

Linda M. Distlerath
Vice President, Global Health
Policy
Merck & Co., Inc.
Whitehouse Station, NJ

William H. Donaldson
Chairman
Donaldson Enterprises
New York, NY

Irwin Dorros
President
Dorros Associates
Green Village, NJ

Robert H. Dugger
Managing Director
Tudor Investment Corporation
Washington, DC

T. J. Dermot Dunphy
Chairman
Kildare Enterprises, LLC
Liberty Corner, NJ

W. D. Eberle
Chairman
Manchester Associates, Ltd.
Concord, MA

Stuart E. Eizenstat
Head of International Practice
Covington & Burling
Washington, DC

Trevor Fetter
President and CEO
Tenet Healthcare Corporation
Dallas, TX

Matthew Fink
Retired President
Investment Company Institute
Chevy Chase, MD

Cono R. Fusco
Managing Partner - Strategic
Relationships
Grant Thornton
New York, NY

Joseph Gantz
Partner
GG Capital, LLC
New York, NY

Alan B. Gilman
Chairman
The Steak n Shake Company
Indianapolis, IN

Carol R. Goldberg
Trustee
The AvCar Group, Ltd.
Boston, MA

Patrick W. Gross
Chairman
The Lovell Group
Bethesda, MD

Jerome H. Grossman
Chairman
Lion Gate Management Corporation
Cambridge, MA

Ronald Grzywinski
Chairman
ShoreBank Corporation
Chicago, IL

Judith H. Hamilton
Former CEO
Classroom Connect
San Rafael, CA

Roderick M. Hills
Partner
Hills, Stern & Morley, LLP
Washington, DC

Hayne Hipp
Chairman and Chief Executive
Officer
The Liberty Corporation
Greenville, SC

Charlene Drew Jarvis
President
Southeastern University
Washington, DC

Jeffrey A. Joerres
Chairman and CEO
Manpower Inc.
Milwaukee, WI

Michael Johnston
Charles A. Dana Professor of
Political Science
Colgate University
Hamilton, NY

Pres Kabacoff
Chief Executive Officer
HRI Properties
New Orleans, LA

Edward A. Kangas
Chairman and Chief Executive
Officer, Retired
Deloitte Touche Tohmatsu
New Canaan, CT

Joseph E. Kasputys
Chairman, President and Chief
Executive Officer
Global Insight, Inc.
Waltham, MA

William E. Kirwan
Chancellor
University System of Maryland
Adelphi, MD

Charles E.M. Kolb
President
Committee for Economic
Development
Washington, DC

Thomas F. Lamb
Senior Vice President, Government
Affairs
PNC Financial Services Group, Inc.
Pittsburgh, PA

W. Mark Lanier
Partner
The Lanier Law Firm P.C.
Houston, TX

Enrico A. Lazio
Exec. V.P., Global Gov. Relations
& Public Policy
J.P. Morgan Chase & Co.
Former Congressman (R-NY)
New York, NY

William W. Lewis
Director Emeritus, McKinsey
Global Institute
McKinsey & Company, Inc.
Washington, DC

Li Lu
President
Himalaya Management
New York, NY

Bruce K. MacLaury
President Emeritus
The Brookings Institution
Washington, DC

Colette Mahoney
President Emeritus
Marymount Manhattan College
Tarrytown, NY

Cecilia I. Martinez
Executive Director
The Reform Institute
Alexandria, VA

David Maxwell
President
Drake University
Des Moines, IA

T. Allan McArtor
Chairman
Airbus of North America, Inc.
Herndon, VA

Alonzo L. McDonald
Chairman and Chief Executive
Officer
Avenir Group, Inc.
Birmingham, MI

David E. McKinney
Executive Secretary
Thomas J. Watson Foundation
New York, NY

Lenny Mendonca
Chairman, McKinsey Global
Institute
McKinsey & Company, Inc.
San Francisco, CA

Harvey R. Miller
Managing Director
Greenhill & Co., LLC
New York, NY

Alfred T. Mockett
Chairman & CEO
Motive, Inc.
Austin, TX

Donna S. Morea
President
CGI-AMS, Inc.
Fairfax, VA

Matthew Nimetz
Managing Partner
General Atlantic LLC
Greenwich, CT

Ronald L. Olson
Partner
Munger, Tolles & Olson LLP
Los Angeles, CA

Norman J. Ornstein
Resident Scholar
American Enterprise Institute
Washington, DC

Leon E. Panetta
Founder & Director
The Leon & Sylvia Panetta Institute
for Public Policy
Former Congressman (D-CA)
Seaside, CA

Victor A. Pelson
Senior Advisor
UBS Securities LLC
New York, NY

Donald K. Peterson
Former Chairman and CEO
Avaya Inc.
Far Hills, NJ

Peter G. Peterson
Senior Chairman
The Blackstone Group
New York, NY

Hugh B. Price
Senior Fellow
The Brookings Institution
New Rochelle, NY

Ned Regan
University Professor
The City University of New York
New York, NY

Daniel Rose
Chairman
Rose Associates, Inc.
New York, NY

Landon H. Rowland
Chairman
Ever Glades Financial
Kansas City, MO

Neil L. Rudenstine
Chair, ArtStor Advisory Board
Andrew W. Mellon Foundation
New York, NY

George E. Rupp
President
International Rescue Committee
New York, NY

William S. Sessions
Partner
Holland & Knight LLP
Washington, DC

Donna E. Shalala
President
University of Miami
Coral Gables, FL

John C. Siciliano
Chairman, President and Chief
Executive Officer
BKF Capital Group, Inc.
New York, NY

James D. Staley
President and CEO
Roadway Corporation
Akron, OH

Paula Stern
Chairwoman
The Stern Group, Inc.
Washington, DC

Roger W. Stone
Stone-Kaplan Investments, LLC
Northfield, IL

Matthew J. Stover
Chairman
LKM Ventures, LLC
Chester, NH

Frederick W. Telling
Vice President, Corporate Policy &
Strategic Management
Pfizer Inc
New York, NY

James A. Thomson
President and Chief Executive
Officer
RAND
Santa Monica, CA

Stephen Joel Trachtenberg
President
George Washington University
Washington, DC

James L. Vincent
Retired Chairman
Biogen Inc.
Weston, MA

Frank Vogl
President
Vogl Communications
Washington, DC

Jerry D. Weast
Superintendent of Schools
Montgomery County Public Schools
Rockville, MD

Josh S. Weston
Honorary Chairman
Automatic Data Processing, Inc.
Roseland, NJ

Harold M. Williams
President Emeritus
Getty Trust
Los Angeles, CA

Linda Smith Wilson
President Emerita
Radcliffe College
Bremen, ME

Jacob J. Worenklein
Chief Executive Officer
US Power Generating Company,
LLC
New York, NY

Kurt E. Yeager
President Emeritus
Electric Power Research Institute
Palo Alto, CA

Ronald L. Zarrella
Chairman and CEO
Bausch & Lomb Inc.
Rochester, NY

*The views of these individuals do
not necessarily reflect the positions
of the organizations with which
they are associated.*