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CONTACT: Morgan Broman (202) 296-5860 x14
(cell) (703) 930-3419
morgan.broman@ced.org

**CED RELEASES NEW POLICY STATEMENT AND BUSINESS LEADER POLL
ON CAMPAIGN FINANCE WITH KEYNOTE FROM SENATOR JOHN MCCAIN**
Poll shows CED reforms have strong support from business leaders

WASHINGTON, D.C., April 5, 2005 - The Committee for Economic Development (CED) today released its newest policy statement, *Building on Reform: A Business Proposal to Strengthen Election Finance*, at a luncheon in Washington. Senator John McCain delivered the keynote address. In conjunction with the report, CED released a Zogby International poll that shows overwhelming support by the business community for continued efforts to reform the campaign finance system.

In its new report, CED focuses on 3 major issues for reform:

Tighten 527 Regulations

Congress should require all 527 groups that deal with federal elections to register as political committees with the Federal Election Commission (FEC), closing the loophole that allows them to avoid contribution limits and source restrictions.

Reform the FEC

Campaign finance rules will achieve their purpose only if they are administered and enforced. Congress should restructure the FEC to prevent partisan gridlock and provide it with genuine enforcement authority.

Improve Presidential Campaign Finance

Without changes, the presidential public funding system will atrophy. CED urges Congress to replace the current \$1- \$1 match on the first \$250 of a contribution with a multiple dollar match. Spending limits should be increased and streamlined, and eligibility for general election funding should be contingent on the acceptance of public financing during the primary stage of the presidential campaign.

"The 527 groups need to play by the same rules as everyone else. CED believes that Congress should require 527 groups to register with the FEC and have contribution limits and source restrictions like all other political committees," said CED President Charles Kolb. "As long as unregulated money continues to invade federal elections, voters won't believe political campaigns are conducted on a level playing field," Mr. Kolb continued.

The poll examines business attitudes on several campaign finance reform issues. Questions focus on the role of "527" advocacy groups, possible ways to restrict the influence of such groups, and reform of the FEC. Main findings include:

Business leaders believe that the Bipartisan Campaign Reform Act (BCRA) helped

73% of respondents agree that the ban on soft money was a positive first step.

Nearly 7 in 10 business leaders still feel pressured to make large political contributions

65% of business leaders say there is pressure placed on them and their peers to make large political contributions.

Business leaders believe 527s are corrupting elections

A strong majority (71%) of those polled responded that 527 organizations have a corrupting influence on the political process. Even more (80%) say that 527 groups amount to a circumvention of campaign finance law.

The business community supports 527 and FEC reform

More than four-in-five (83%) leaders of American business say that they support requiring 527s to register with the FEC as political organizations. Three-quarters (74%) support changing the law to prohibit unions or corporations from donating money to 527s.

Two-in-three (67%) business leaders support changing the FEC structure to include a long-term chairman, and 79% of respondents believed the FEC should be allowed to conduct random audits to enforce the law.

The poll was conducted by telephone from March 8 through March 23, 2005. The business executives were chosen at random from a list of U.S. companies.

Commenting on the poll results, CED's Campaign Finance Reform Subcommittee co-chair and retired Chairman and CEO of Deloitte & Touche, Edward A. Kangas, said, "Just when BCRA was beginning to work, the 527 groups came along in 2004 and tried to sidestep reform. The CED poll of business leaders is strong evidence that the business community feels we are on the right track towards fixing our campaign finance system and that we need to take the reforms a step further by addressing the 527 loophole." He continued, "American businesses want to compete in the marketplace, not in a political contributions arms race."

Mr. Kangas and George E. Rupp co-chair CED's Campaign Finance Reform Subcommittee, which wrote the policy statement.

In his keynote address, Senator John McCain applauded CED's work on campaign finance reform, saying that: "By calling for the regulation of 527s and an overhaul of the Federal Elections Commission, CED is courageously leading the business community in speaking out against the corrupting influence of big money in federal elections, as it did during the fight to pass BCRA."

CED became involved in campaign finance reform with the release of its 1999 policy statement, *Investing in the People's Business: A Business Proposal for Campaign Finance Reform*. CED recruited over 300 business and civic leaders to endorse its proposals, which included eliminating soft money and regulating "issue ads." CED filed an *amicus* brief defending the BCRA in 2003, which was cited in the majority opinion of the Supreme Court in the *McConnell v. FEC* ruling (Dec. 23, 2003). In 2004, CED released a statement urging businesses not to make 527 soft money contributions.

CED's new statement, *Building on Reform: A Business Proposal to Strengthen Election Finance*, and the new poll are available at www.ced.org or by calling Morgan Broman at 202-296-5860 x14.

CED is a non-profit, non-partisan organization of more than 200 business leaders and university presidents. Since 1942, its research and policy programs have addressed many of the nations most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all.