

OPEN LETTER TO U.S. HOUSE OF REPRESENTATIVES
OPPOSING THE 527 REFORM ACT
APRIL 5, 2006

Dear Members:

The organizations signing this letter urge you to oppose the 527 Reform Act, legislation designed to effectively abolish the independent constituency organizations that have come to be known as “527 organizations.” We write as organizations described in section 501(c), not section 527, of the Internal Revenue Code (although a few of us maintain funds that separately qualify for tax exemption under section 527).

All of us want to expand public participation in our democratic process, and we know independent, citizen-based 527 organizations have been vital components of that effort. The 2004 elections saw the greatest increase in voter participation since 1968, due, in significant part, to the work of these independent organizations. Much – perhaps most – of the money these 527s raised was spent to knock on doors in communities with some of the lowest historic voter turn-outs in the country. These efforts reached people who had been left out of the political process for decades, especially the one-third of all Americans who feel they have no home in the major political parties.

We are all committed to a vigorous political dialogue, and independent 527 organizations expanded the scope of the political debate in 2004. No longer can candidates and parties (or rather their pollsters and focus groups) reduce the political debate to the few issues scientifically calculated to sway the minds of the voters. No longer does the increasing consolidation of the media inevitably limit the breadth of our political debate. Independent 527 organizations ensured that the public heard about all of the issues, even those deemed controversial. Our own 501(c) organizations’ efforts to respond directly to these same policy concerns through our service, education, and advocacy have been enriched and empowered by this elevated level of attention to a broader range of issues. Some may have cringed at ads from a few of the independent 527 groups. Yet the suppression of speech because it is distasteful to some is utterly at odds with American free speech principles. Nor can the discomfort of some justify this bill’s efforts to penalize the many independent 527 groups that did no advertising at all, but devoted themselves to registering voters and encouraging them to vote.

All of us signing this letter seek a fair political process. We need a free-flowing debate about the best choices for our country as embodied in our choices for its leaders. The drafters of our Constitution were so protective of this right that they enshrined it in our Constitution as the first principle of our Republic. Yet the 527 Reform Act restricts these rights when they are exercised through 527 organizations.

We would prefer to see public policy based on facts, not propaganda. The overwrought media stories about the impact of major donations by wealthy individuals to “unaccountable” 527s acting as mere proxies for politicians are just plain wrong:

- Spending by these independent 527 organizations was dwarfed by spending by candidates, parties, and other organizations by at least ten to one.

- These independent 527 organizations are already subject to substantial regulation. All 527s must register with the government upon formation and must file regular, publicly available reports detailing who gives them money and what they spend that money for. Even if they are not a federally regulated PAC, 527s are still required to report to the IRS.
- Independent 527s face substantial penalties if they try to act as mere “fronts” for a party or a candidate. The independence of these organizations from candidates, campaigns, and political parties has been acknowledged, albeit grudgingly, even by critics of these organizations. These 527s cannot coordinate with candidates or parties and they cannot expressly advocate for the election or defeat of candidates.

In short, we urge you to reconsider the story that has been told about 527 organizations. These organizations have contributed to a revitalization of American democracy, helping bring millions of people back to the process of governing the country by bringing them back to the polls, letting them show their commitment to particular public goals, and engaging them in a more comprehensive political debate.

We urge you to reject this unwise legislation – even as amended – and seek more effective ways to reform our political system.

Sincerely,

Alliance for Justice
American Federation of State, County and Municipal Employees (AFSCME)
League of Conservation Voters
NARAL Pro-Choice America
National Family Planning and Reproductive Health Association
National Jewish Democratic Council
OMB Watch
WIN (Women’s Information Network)