



815 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006

RICHARD L. TRUMKA  
PRESIDENT

ELIZABETH H. SHULER  
SECRETARY-TREASURER

ARLENE HOLT BAKER  
EXECUTIVE VICE-PRESIDENT

## **LEGISLATIVE ALERT!**

(202) 637-5057  
July 27, 2010



Dear Senator:

The AFL-CIO opposes the version of the DISCLOSE Act (S. 3628) that was introduced last week following House passage of H.R. 5175. We oppose S. 3628 reluctantly, however, because we support meaningful and effective new requirements to enhance public disclosure of the identity of those attempting to persuade voters in connection with elections. We have sought to work with both houses of Congress to develop legislation that would accomplish that goal, but unfortunately S. 3628 does not merit our support.

The AFL-CIO supports reasonable disclosure and disclaimer requirements related to political and advocacy activities. We have long argued that there is too much special interest money in politics and that much of it remains hidden behind a smokescreen of third-party organizations established for the purpose of obscuring the real source of funding.

However, the Senate bill imposes extraordinary new, costly, and impractical record-keeping and reporting obligations on thousands of labor (and other non-profit) organizations with regard to routine inter-affiliate payments that bear little or no connection with public communications about federal elections.

One of the chief stated purposes of the Senate bill is to prevent the deliberate “evasion” of current law disclosure requirements in order to reveal who is “actually paying” for independent expenditures that explicitly endorse or oppose candidates, or for near-election broadcast references to candidates (so-called “electioneering communications”).

However, S. 3628 would treat the routine internal financing of multi-tiered organizations as federal campaign finance events. National unions are financed almost exclusively by dues that individual members pay to their local unions, which in turn pay a portion of those dues to fund the operations of their national union affiliates, as well as to affiliated statewide and other intermediate bodies.

S. 3628 would compel any union that undertakes electoral or broadcast grassroots lobbying communications to file within 24 hours reports with the Federal Election Commission that itemize these routine payments from affiliates that exceed \$50,000 in the previous year, *and* to itemize *all* payments of as little as \$600 during that year made *to those affiliates* – even though there is no way for the reporting union to know about those other payments. There are 30,000 local unions in the United States, and many other non-profit groups with individual dues-paying members and state chapters that are financed similarly. All would be saddled with the same kind of extreme reporting and disclosure burdens.

S. 3628 also changes the definition of affiliation in the House bill to impose additional pointless and remarkably burdensome reporting obligations. Like national unions, the AFL-CIO is financed by routine, per-capita-calculated payments from 57 national union affiliates. But under S. 3628, if the AFL-CIO itself makes \$50,000 in independent expenditures or electioneering communications, then for the next two years all of the AFL-CIO's per capita receipts are "deemed" to be for those same political purposes, triggering innumerable irrelevant yet costly 24-hour reports by those unions and the AFL-CIO. And if any of those unions itself undertakes such political spending, then the AFL-CIO must file reports as if the per capita payments it later received are for the same purpose.

Opponents of the House passed bill claim that the bill includes a special carve out for labor unions. This is not accurate as the House bill avoids needless disclosures of member dues and routine inter-affiliate payments within all membership organizations, not just unions. By ensuring that those ordinary transactions are not subjected to onerous and inappropriate campaign finance reporting requirements and penalties, the House bill recognizes that requiring hundreds—if not thousands—of reports, all from different levels of the same organization, add nothing to the public's understanding of who is behind the campaign or issue ads they see on television.

The AFL-CIO supports reasonable disclosure and disclaimer requirements related to political and advocacy activities, but S. 3628 would disrupt the operations of thousands of organizations without any corresponding public benefit. We urge you to vote against cloture on the Senate version of the DISCLOSE Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Samuel', written in a cursive style.

William Samuel, Director  
GOVERNMENT AFFAIRS DEPARTMENT