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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE THE COMMITTEE OF THE WHOLE

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, December 12, 2000
1:45 p.m.

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BILL 000505 - An ordinance amending Title 20 of
the Philadelphia Code, entitled "Officers and
Employees," by adding a new Chapter 20-800,
entitled "Campaign Finance," providing for the
limitations of contributions to municipal election
campaigns, all under certain terms and
conditions.

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PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILWOMAN JANNIE BLACKWELL, Vice Chair
COUNCILWOMAN BLONDELL REYNOLDS BROWN
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2 P R O C E E D I N G S

3 COUNCIL PRESIDENT VERNA: Good

4 afternoon, everyone. This is a public hearing of
5 the Committee of the Whole regarding Bill
6 No. 000505. I would ask Mr. McPherson to please
7 read the title of the bill.

8 MR. MCPHERSON: An ordinance amending
9 Title 20 of the Philadelphia Code, entitled
10 "Officers and Employees," by adding a new Chapter
11 20-800, entitled "Campaign Finance," providing for
12 the limitations of contributions to municipal
13 election campaigns, all under certain terms and
14 conditions.

15 COUNCIL PRESIDENT VERNA: Thank you.

16 Our first witness is Mr. George Burrell
17 of the Mayor's Office.

18 (Witness comes forward.)

19 COUNCIL PRESIDENT VERNA: Good
20 afternoon.

21 MR. BURRELL: Good afternoon, Madam
22 President.

23 I've spent a number of years always
24 trying to -- always trying to avoid having to come
25 back to the Council to testify; it brings back a

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2 lot of old memories when I'm in this chamber. I
3 think in the now ten years --

4 COUNCIL PRESIDENT VERNA: Do you wish
5 you were here again?

6 (Laughter.)

7 MR. BURRELL: I won't answer that, I'll
8 take the fifth on that question. But in the now
9 ten years since I was actually a member of this
10 body, I think this is actually only the second
11 time I've testified.

12 But I'm happy to be here and good
13 afternoon. For the record, my name is George
14 Burrell, Secretary of External Affairs in the
15 Street Administration. Thank you for inviting
16 Mayor Street to testify with respect to Bill 505,
17 which would add a new Chapter 20-800 to the
18 Philadelphia Code, entitled "Campaign Finance."
19 Unfortunately, the Mayor is unable to attend
20 today's hearing but asked me to testify on behalf
21 of the Administration.

22 Anyone who followed Mayor Street's
23 mayoral campaign in 1999 knows that he
24 consistently supported comprehensive, meaningful,
25 and effective campaign finance reform during that

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campaign. It is impossible not to be concerned with the rising cynicism in our electorate concerning the relationship of money and the overall costs of elections to electoral politics. If one reviews the testimony from your June hearing before the Committee on Law and Government on Bills 356 and 357 and Resolution 380, it is clear why campaign finance reform is on so many agendas.

That being said, it is the Administration's current position that Bill 505 falls short of achieving comprehensive, effective, and meaningful campaign finance reform. The continuing debate about campaign finance reform in the Congress and during the almost-completed presidential election highlights the complexity of this issue and how difficult it is to resolve. This is not an issue which can be resolved merely by adopting campaign contribution limits. They exist at the federal level, yet we routinely multi-million-dollar campaigns in Congressional and Senate elections.

In fact, one of the frequent complaints from federal elected officials is about the time

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2 they must spend raising money because of the
3 increasing cost of holding elective office,
4 combined with low contribution limits. The
5 legislation before this committee will not reduce
6 the cost of local elections but it will increase
7 the time by you and others raising the money
8 required to win election or reelection.

9 If your real objective is campaign
10 finance reform, then I would encourage this
11 Council to take the time to work with Republicans
12 and Democrats, both here and in Harrisburg, and
13 with respected political watchdog agencies like
14 the Committee of Seventy, to tackle this issue in
15 a comprehensive way.

16 Comprehensive, meaningful, and
17 effective reform must address the issues of soft
18 dollars, the cost of elections, and the role of
19 public financing as well as contribution limits.
20 Parenthetically, we must also focus on how
21 campaigns can be adequately financed so that
22 voters in fact get the information required to
23 make informed choices.

24 It is often said that one of the chief
25 goals of campaign finance reform is to level the

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2 playing field. Actually, that phrase masks the
3 target of campaign finance reform; it is really
4 about improving the odds for some candidates and
5 worsening them for others. The goal is to achieve
6 the advantages that those candidates with greater
7 access to money would otherwise enjoy and to make
8 it easier for candidates without access to money
9 to run for office. That is a laudable goal, but
10 the bill before this committee misses the target.

11 In addition to ignoring several key
12 elements of campaign finance reform, the limits in
13 the proposed legislation are simply too easy to
14 get around. The ultimate result of the bill would
15 be not a level playing field, but a distorted
16 campaign process that favors power brokers who
17 extort and raise more money for candidates than
18 they contribute; independent political committees;
19 State elected officials; candidates willing to
20 obey the new rules; and individuals with personal
21 wealth, willing to spend to it get elected. Also,
22 the failure or inability to address the issue of
23 soft dollars further strengthens the role of
24 organized party structures at the expense of
25 independent candidates.

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2 We all know that when comes to raising
3 and spending money to elect a mayor or a member of
4 Council that if one door is closed by law, money
5 will flow through whatever door or doors remain
6 legally open. Indeed, the experience at the
7 federal level and in other municipalities where
8 campaign finance reform has been implemented
9 confirms this position. For example, Rule G-37,
10 promulgated by the SEC, prohibits investment
11 banking firms from contributing to local
12 candidates, but I would suggest to you that it has
13 not reduced the investment of the financial
14 community and in local political campaigns.

15 Section 20-802, Paragraph 1 prevents
16 contributions to any candidate in excess of \$1,000
17 per year, whether the contribution is made
18 directly. . . Oh, I got it all confused here.

19 Section 20-802, Paragraph 1 prohibits
20 contributions to any candidate in excess of \$1,000
21 per year, whether the contribution is made
22 directly or not to a political committee, and the
23 subsequent section limits the contribution to
24 \$5,000 annually to any candidate. But it is
25 critical to realize that these provisions do not

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2 prohibit a person from contributing an unlimited
3 amount to an independent political committee so
4 long as that contribution is not intended to be a
5 contribution to a particular candidate of more
6 than \$1,000.

7 Furthermore, the provisions do not
8 prohibit a political committee from spending
9 millions in support of a candidate, or a slate of
10 candidates, so long as the money is spent
11 independently of the independently of the
12 candidates and there is no contribution to any
13 candidate of more than \$5,000.

14 Given these new rules, it is inevitable
15 that so-called independent political committees
16 will be formed to raise and spend unlimited
17 amounts of money directed at influencing the
18 outcomes of elections in Philadelphia. Existing
19 political committees, including those established
20 by the major parties and by other elected
21 officials also serve as excellent, wholly legal
22 ways to circumvent the restrictions in the bill.
23 These political entities will be free to solicit
24 unlimited contributions in unlimited amounts so
25 long as they are not earmarked for particular

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2 candidates. How does this represent an
3 improvement in the fairness or credibility of the
4 electoral process in this city?

5 Perhaps even worst, this bill could
6 encourage subterfuge by some candidates. It would
7 establish a powerful incentive for candidates to
8 evade the contribution limits by collaborating
9 with political committees that were independent in
10 appearance only. We have seen this type of
11 subterfuge at the federal level time and again,
12 and it only compounds the public cynicism about
13 the electoral process.

14 Moreover, even if candidates do not
15 take advantage of such subterfuge, Bill 505 is an
16 invitation to power brokers to dominate the
17 election process in Philadelphia. The hard truth
18 is that candidates will continue to do everything
19 they can to build large campaign war chests. By
20 making that task harder than it is today, Bill 505
21 enhances the value and influence of those who have
22 the connections and relationships necessary to
23 harvest vast numbers of \$1,000 and \$5,000
24 contributions. It encourages candidates to build
25 relationships with those individuals so they will

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2 make the calls and collect the checks.

3 I have two final concerns with Bill
4 505. First, notwithstanding the provision for
5 injunctive relief contained in Section 20-805, it
6 is not at all clear how the bill's prohibitions
7 would be enforced in any meaningful way. Section
8 20-802, paragraph 1 would prohibit a contribution
9 of more than \$1,000 per year to any candidate,
10 including contributions made to or through one or
11 more political committees.

12 How would this clause be enforced? For
13 example, if ten contributors each gave \$5,000 to a
14 political committee without specifying its purpose
15 and the political committee subsequently makes a
16 contribution of \$5,000 to Candidate X, what is the
17 reporting mechanism that will be used to determine
18 whose money went to X? In the absence of such a
19 mechanism, how do we know whether or not paragraph
20 1 was violated? In fact, the limitations in the
21 bill are not enforceable without new disclosure
22 requirements that go far beyond what is currently
23 required by State campaign finance law.

24 This, in turn, raises my second
25 concern, that there is substantial risk identified

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2 by the City Solicitor that any foray into campaign
3 finance law by the City of Philadelphia could be
4 preempted by State law.

5 I recognize that other municipalities
6 are experimenting with campaign finance reform,
7 but I think it is important to note that the
8 Committee of Seventy, having reviewed such efforts
9 in numerous other cities, remain skeptical that
10 contribution limits would be effective mainly
11 because of the possibility of major increases in
12 soft money and the resulting difficulty in
13 identifying pay-to-play conflicts.

14 This is an extraordinarily complicated
15 and important area of reform and one that is
16 ill-suited to piecemeal change. I do not believe
17 that the cause of campaign finance reform is
18 well-served by Bill 505, which, by addressing just
19 one aspect of the problem, creates a series of
20 unintended and, to me, wholly undesirable
21 outcomes. Before addressing campaign finance
22 reform locally, it might be far better to see how
23 the federal government comes to terms with the
24 profound flaws that its campaign finance law,
25 flaws that exist despite the presence of

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2 contribution limits akin to those called for in
3 Bill 505.

4 Thank you very much, Madam President.

5 COUNCIL PRESIDENT Verna: Thank you.

6 The Chair recognizes Councilman Kenney.

7 COUNCILMAN KENNEY: Thank you, Madam
8 Chair.

9 I'd like to start from the beginning of
10 Mr. Burrell's testimony, but let me go to the end.
11 I may be reading the opinion of the City Solicitor
12 dated December 2000. And correct me, but unless
13 Mr. Burrell could -- did you read it, Mr.
14 Burrell?

15 MR. BURRELL: I have not read it.

16 COUNCILMAN KENNEY: Then how do you
17 know that the City Solicitor that said it wasn't
18 legal for us to do it?

19 MR. BURRELL: I've had some
20 conversation with the City Solicitor; I have not
21 read the opinion.

22 COUNCILMAN KENNEY: I recommend the
23 opinion to you, because let me read just one
24 sentence of many. "Under the First-Class City
25 Home Rule Act ('The Home Rule Act'), the City

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2 possesses all powers and authority of local
3 self-government and complete powers of legislation
4 and administration in relation to its municipal
5 functions, which includes municipal elections."

6 I don't know how -- I'm not a lawyer
7 and I know you are -- how that could be any
8 clearer as to the City's ability to in fact do
9 this. As a matter of fact, the former Chief of
10 Staff, who had your position former --

11 (Unintelligible, parties talking over
12 each other.)

13 MR. BURRELL: Don't get me in trouble.

14 COUNCILMAN KENNEY: The former Chief of
15 Staff, Stephanie Franklin-Suber, issued a similar
16 opinion in 1999 saying in fact that also this was
17 a totally legal act of the City government, to
18 supervise and to oversee and to place restrictions
19 on these municipal elections. And I would
20 recommend that you take a look at Mr. Trujillo's
21 opinion of December 11th, 'cause I think it makes
22 it very clear.

23 MR. BURRELL: I will be happy,
24 Councilman, to read that opinion, but
25 notwithstanding the opinion, I still would believe

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2 that this is not the legislation that effectively
3 gets at campaign finance reform.

4 COUNCILMAN KENNEY: Well, you know, I
5 agree with you there. And I was wondering if you
6 knew how many bills had tried to get themselves
7 through the legislative process in Harrisburg in
8 an effort to do any type of campaign finance
9 reform over the history of, say, the last decade.

10 MR. BURRELL: I probably couldn't
11 answer the number, but, you know, I, like most
12 people, who have been involved in the political
13 process have watched this unfold in public debate
14 in the United States Congress and in public debate
15 in the most recent presidential election, and it
16 is obviously a very, very important, but also a
17 very, very difficult issue of resolution.

18 COUNCILMAN KENNEY: You say in your
19 statement that anyone who followed Mayor Street's
20 mayoral campaign in 1999 knows that he
21 consistently supported comprehensive, meaningful,
22 and effective campaign finance reform during that
23 campaign.

24 Could you explain to me how that
25 happened --

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2 MR. BURRELL: I --

3 COUNCILMAN KENNEY: -- considering the
4 fact that the entire mayoral campaign for 1999
5 raised and spent \$27.5 million, the largest
6 expenditure for any mayoral election in the
7 history of this country?

8 MR. BURRELL: I think that the issue of
9 campaign finance reform, which has come up also in
10 the most recent presidential election that has
11 spent more money on a presidential election ever
12 in the history of this country, it was a
13 fundamental issue in that election, one which Vice
14 President Gore said he supported and which
15 Governor Bush did not.

16 I think that in every debate that was
17 held in the 1999 election and in the several
18 public forums, the issue of campaign finance
19 reform was raised, debated, and discussed by all
20 of the candidates and particularly -- and by Mayor
21 Street, and that in every one of those debates, to
22 my recollection, the Mayor said that he would be
23 willing to participate in a productive and
24 meaningful discussion about how to achieve
25 campaign finance reform. But like every other

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2 candidate running for public office, he played by
3 the rules that he was confronted with in 1999.

4 COUNCILMAN KENNEY: Yeah, and I have no
5 fault with that, 'cause I played by those same
6 rules, and no one would expect anyone to
7 unilaterally disarm in the course of an election.
8 But he was the only candidate who was, in fact,
9 successful and is now currently the Mayor of the
10 City of Philadelphia.

11 Can you explain anything done by this
12 administration in the last 11 months to initiate,
13 discussion, interface with any members of the
14 legislature, the Governor's Office, or any members
15 of Council relating to comprehensive and effective
16 campaign finance reform?

17 MR. BURRELL: Well, Councilman, other
18 than -- and I'd give two response to see that. I
19 am only aware of a meeting that you and I and the
20 Mayor and, I believe, Councilman Ortiz had some
21 discussion about this issue before the public
22 hearings that occurred in June, where we met in
23 the Mayor's Office.

24 But beyond that, this is an important
25 political issue, it is an important public-policy

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2 issue, but the plate of this administration has
3 been pretty full for the past 11 months, and in
4 dealing with those issues that are critical to the
5 lifeline and the lifeblood of this city, the Mayor
6 has not, of his own political initiative, staked
7 out campaign finance reform as his issue for the
8 moment.

9 COUNCILMAN KENNEY: Can you give us an
10 idea as to when it might be an issue?

11 MR. BURRELL: I think that the Mayor
12 would always be prepared to participate in a
13 bipartisan way on the issue of campaign finance
14 reform in an appropriate forum. I have not spoken
15 to him about what that appropriate forum would be,
16 but I believe, in the meeting that we were in, he
17 indicated a willingness to participate in those
18 discussions, and I think he would going forward.

19 COUNCILMAN KENNEY: In your statement,
20 you're quoted as saying, "That being said, it's
21 the Administration's current position that Bill
22 505 falls short of achieving comprehensive,
23 effective, and meaningful campaign finance
24 reform."

25 Could you tell me what the

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2 Administration's position on the last effort this
3 Council made to in fact have an expansive -- I'm
4 sorry, a comprehensive, effective, and meaningful
5 campaign finance reform in Bill, I believe, No.
6 356, which included public financing, annual
7 limits on fund-raising, a board to oversee the
8 public financing of elections, voluntary campaign
9 spending limitations?

10 I believe the Administration opposed
11 that expansive effort and now criticizes 505 for
12 falling too short. Could you explain to me the
13 duplicity there?

14 MR. BURRELL: I believe that the
15 Administration's request with respect to the
16 earlier legislation was to not move it on a fast
17 track, that we would prefer to have the time that
18 we believe would be necessary to discuss the
19 issues that impact upon campaign finance reform in
20 a thorough and a comprehensive, and the
21 time-consuming way that was necessary, we believe,
22 get it to war it would be effective, to address
23 the concerns both of limiting the amounts of money
24 that perhaps are involved in electoral politics or
25 how those dollars get into electoral politics, but

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2 also addressing effectively how you have a system
3 that makes sure that voters have the opportunity
4 to get the necessary information that they need to
5 be able to make informed judgments.

6 I don't believe that the Mayor's
7 position last June was, in fact, in opposition to
8 the concept of campaign finance reform; it was in
9 opposition to moving a piece of legislation that
10 seemed to be moving more quickly than we believed
11 it should and that it was deficient in ways that
12 required further discussion and explanation.

13 COUNCILMAN KENNEY: How long does it
14 take to get a comprehensive campaign package? I
15 mean, what -- if that was a fast track, explain to
16 me a medium track and a slow track? I mean, how
17 long should it take?

18 MR. BURRELL: Councilman, I really
19 can't define that to you. I can refer you to your
20 earlier comments how long it's taken and been
21 unsuccessful to achieve at the State level, we've
22 all witnessed very publicly how ineffective it has
23 been at the national level. We are witnessing
24 around the country that the municipalities, though
25 having elected -- having adopted some campaign

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2 finance reform mechanisms, have not reduced the
3 limits of money and the influence of money in
4 their elections. There are still running
5 campaigns that are costing more and more with each
6 election cycle, where the public is increasingly
7 cynical about the influence of money in politics.

8 So that we would be willing, I believe
9 -- and I think I could speak for the Mayor -- to
10 explore a process that allows us to discuss this
11 in some detail. This is a very complicated and
12 complex issue of which we can all agree, I
13 believe, that we are concerned about the
14 increasing cost of electoral politics and the
15 influence of money in politics, but we also
16 understand that without those resources, voters
17 are unable to get the information that they need
18 without the media and other outlets cooperating to
19 make that information available.

20 COUNCILMAN KENNEY: That's curious.
21 Did people get elected before television? How did
22 they run campaigns prior to TV? I recognize TV is
23 a fact of life, but what you're telling me is the
24 only way that the electorate can get information
25 about candidates is through 30-second and

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2 60-second slickfully-done, artfully-done campaign
3 ads, that there's no other way to go out into the
4 community, to neighborhood organizations, to
5 debates, to other issues where you need to raise
6 millions of dollars to package yourself in a way
7 that you couldn't do by simply going out on the
8 stump?

9 This city isn't a -- this is a nation
10 -- it's not even statewide. The City's big it's
11 but not that big.

12 MR. BURRELL: Well, Councilman, I think
13 that for most of us who are at least my
14 generation, the advent of public campaigns goes
15 back certainly to John Kennedy in 1960, so it's
16 been since 1960 that the use of television has had
17 a substantial influence in an election, in public
18 elections in cities and national elections around
19 the country.

20 But the balance that we have to fight
21 to achieve here is, we would hope that there are
22 ways in working in cooperation with media outlets,
23 whether they be print media or broadcast media, to
24 find some middle ground.

25 But I remind you that as critical as

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2 people are of the influence of money in electoral
3 politics today, they are equally critical of our
4 elections of judges, of row officers, of people
5 that they are concerned that they have to elect
6 because they don't have enough information and
7 they don't know enough about the people that they
8 are going out to vote for and are concerned about
9 the influence that organized parties perhaps play
10 in leading people out to vote for their candidate.

11 So there's a balance here, and I think
12 we all are aware that money is an important
13 resource in being able to communicate messages
14 effectively to a very busy public. You know, 20,
15 30, 40 years ago, you know, we had lots of mothers
16 at home with their children, paying attention to
17 the news and reading the newspaper. Today, we
18 have, you know, two-parent working families.
19 People get their news on the go, they get it from
20 every television and radio, and you've got to
21 communicate with them in that way.

22 COUNCILMAN KENNEY: Could you explain
23 your comment "Campaign finance reform is really
24 about improving the odds for some candidates and
25 worsening them for others"? Could you elaborate

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2 on that. That's kind of confusing to me.

3 MR. BURRELL: There is a huge element
4 in the campaign finance reform movement that
5 supports the efforts of independent candidates.
6 Independent candidacies are defined historically
7 by the absence of resources to be able to run
8 effective campaigns. And many of these
9 particularly publicly financed campaigns are ways
10 that are designed to reduce the amount of money
11 that people who raise it in large chunks in the
12 traditional way and who have to rely to some
13 extent and to place -- and who are willing to
14 place some limit on how much money they will spend
15 if they accept public funds. It also gives an
16 advantage to people who historically have not been
17 able to raise the big money.

18 COUNCILMAN KENNEY: Every issue that
19 I've been involved in here in Council in the last
20 nine years that dealt with governments helping
21 development -- bond issuance, issuance of bonds,
22 things like stadia, TIFs, all of those kinds of
23 controversial issues that involve the use of
24 taxpayers' money for certain projects, every one
25 of those stories that I have read in the Daily

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2 News or the Inquirer or the Tribune or even in
3 the local papers, the Weekly and the City Paper
4 always have a paragraph in there that discusses
5 the amount of money that an individual has given
6 to a particular candidate, whether it be mayor or
7 a councilmember when that item or that piece of
8 legislation sits before this Council. I
9 personally think that's a bad thing for the
10 public.

11 I think that when we talk about TIFing
12 parking garages that may be a particular good use
13 to a project or to a community, the acquisition of
14 land as it relates to things like building new
15 stadiums, that when the public reads that in the
16 paper, it reinforces a believe -- whether it is
17 accurate or not -- that, in fact, you need to get
18 in line with a check around campaign time in order
19 for you to get your issue, your development, your
20 vote considered and passed.

21 I'm not saying that that is always the
22 case, I'm not saying that it's ever the case. But
23 isn't important that people in the community who
24 pay taxes, who work every day, who struggle to
25 stay in the City, have some belief that political

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2 contributions should play no role in these
3 issues?

4 For example, in any of the things that
5 I have mentioned, under Bill 505, any of these
6 developers or any of these people who have come
7 before this body would have only been able to give
8 Sam Katz and John Street or any other candidate
9 who ran for mayor \$4,000 in a 4-year period. If
10 that were the case, we would never have this
11 tainted discussion about people who have to pay to
12 play.

13 And I think that one of the things that
14 this bill does, more than anything else, is ratchet
15 down the numbers, limits people's ability to have
16 to get in line with a check, and perhaps takes
17 away some of the taint that the public feelings
18 and some of the cynicism that the public feels
19 about every time we cast a vote, is it not in some
20 way a politicalpayback for campaign
21 contributions? which, I will readily admit, I've
22 taken as much as anybody.

23 MR. BURRELL: Well, I will give you two
24 responses, Councilman. I think that the objective
25 that you've defined is an objective that we would

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2 all pursue. I think we are all oftentimes
3 offended by the notion of reading a paragraph in
4 an article that suggests that the action that we
5 take is driven by the money that someone may have
6 given to a particular candidate. Unfortunately, I
7 think that through this legislation, we may limit
8 the amount of money that individuals may give, but
9 we won't limit the amount of money that the
10 traditional political fund-raiser who are
11 volunteers raise. And many people who are in
12 elective office have people who go out and raise a
13 100,000, 500,000, whatever the number is for them,
14 they are going to continue to be identified in
15 those news stories as a strong supporter of the
16 Mayor, a strong supporter of the Councilperson,
17 and suggesting that they used undue influence to
18 get things done.

19 And secondly, and most unfortunately,
20 when you read those stories, they don't always say
21 that someone gave 5,000, 10,000, 25,000, 100,000
22 to a mayor or a councilperson, they reduce it and
23 say they gave \$750 to The mayor in the recent --
24 and their suggestion is that any amount of money
25 that is given to a candidate is a given with the

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2 intent to influence the outcome of some decision
3 or to create some access.

4 COUNCILMAN KENNEY: I don't know, I'm
5 just a guy from South Philly, Second Street, but
6 when I read a 30 or 50 or 75,000 or a \$100,000
7 number, that gets my attention more than the \$750
8 check.

9 MR. BURRELL: I don't think it does the
10 public, Councilman, with all due respect.

11 COUNCILMAN KENNEY: As a 42-year-old
12 member of the public of Philadelphia for my entire
13 life, and I'm telling you right now, if you think
14 that you can convince me that a \$100,000
15 contribution for one person doesn't have the same
16 effect as a \$750 contribution from one person,
17 then I think you're trying to sell me a bridge or
18 something like that.

19 MR. BURRELL: With all due respect,
20 Councilman, I grew up not in South Philadelphia
21 but in a community with 300 people and where \$100
22 was a lot of money to me, and I think there are a
23 lot of voters in this city, there are lots of
24 educated and sophisticated voters who deal in
25 thousands of dollars. There are lots of voters in

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2 this city who, the ability to give \$750 on a
3 voluntary basis, just reach in your pocket and
4 give somebody \$750 is a lot of money relative to
5 the position that they find themselves in. And I
6 think that they do read the papers and they do
7 think that people are influenced by that giving.

8 COUNCILMAN KENNEY: But I would argue
9 that that \$750 contributor does not come before
10 this Council to seek a TIF or to seek any kind of
11 public assistance from the government. Generally,
12 the people who come before this Council are the
13 people who have given 25, 50 and \$100,000. And
14 that in the end is really the problem.

15 I mean, if you're going to tell me that
16 power brokers -- I mean, I'll give you an
17 example. A gentleman said to me recently that the
18 City of Philadelphia isn't run for the 1.487
19 million people who live here; it's run if for 100,
20 the 100 inside people who are the power brokers,
21 who raise the money, who bundle the checks, who
22 contribute big amounts, and who then come before
23 this particular body and this government and
24 expect help in assistance in getting their
25 development projects done. I know them all

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2 personally. I think they're all decent, wonderful
3 people, and I think they're doing a good job for
4 the City.

5 But I also would think that the public
6 would think better of them and better of the
7 project and better this development that you're
8 trying to sell us to do as a policy issue if they
9 haven't given any candidate, not just Mayor Street
10 or Mayor Rendell -- and Mayor Rendell was artful
11 at it -- any candidate for public office in this
12 city, mayor or Council, unbridled amounts of
13 money. And I think that that would go light years
14 into improving the attitude of the general public
15 about what we do in this body and what goes on at
16 the second floor.

17 MR. BURRELL: And, Councilman, again, I
18 think that the Administration and the Mayor
19 support your objective and the goal, but --

20 COUNCILMAN KENNEY: Well, not according
21 to this statement.

22 MR. BURRELL: But I do not believe -- I
23 do not believe that the process in a serial way of
24 beginning to address campaign finance reform by
25 saying taking the first step of simply limiting

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2 campaigns, limiting contributions to campaigns,
3 gets us to where it is that you want to go. We
4 have a disagreement on that. I think people are
5 smart enough to see through the veils.

6 Those limitations exist at the federal
7 level today for United States Senators and United
8 States Congressmen. People still believe that
9 they are unduly influenced by people who are their
10 contributors, their fund-raiser, and by the people
11 who come before them, looking for things to be
12 done. It is simply a process because people are
13 supporters of a party, they are a supporter of
14 friends of friends.

15 This is a comprehensive issue that
16 requires us to take a comprehensive look at it,
17 and there is no easy way, and it's going to be
18 very, very difficult to get to the end of the
19 road.

20 COUNCILMAN KENNEY: There is no easy
21 way when you stand still. I mean, was it a trip
22 of a thousand -- a journey of a thousand miles
23 starts at one step? Well, if we continue to wait
24 for Washington or Harrisburg or a bipartisan
25 commission of whoever to make this happen, I can

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2 guarantee you, we'll be sitting here next year and
3 the year after and the year after that, with no
4 improvement.

5 And let me tell you, I mean, you said
6 that the Administration is interested in this kind
7 of a reform but, you know, I got to read a
8 statement from -- that was quoted in the Inquirer
9 back on September 21st of '99 from the Mayor
10 himself: "The people who support me in the
11 general election have a greater chance of getting
12 business from my administration than the people
13 who support Sam Katz."

14 Now, if you think that comment makes
15 people believe that government works for everybody
16 equally, I find that hard to believe. And unless
17 the Mayor was misquoted, I think that's a real
18 telling statement about what the situation and
19 what condition we are in right now as we discuss
20 the issues and policies of the day.

21 MR. BURRELL: I was not there when the
22 Mayor made that statement. I do, though, think I
23 can say, without fear of contradiction, that the
24 decisions of this government are not made based
25 upon who made contributions to the Mayor. The

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2 access of people to the Mayor is not defined by
3 who made contributions to the Mayor, and the
4 decisions made by this administration are not
5 those that favor any particular individual or
6 group or what the Mayor and the Administration
7 believe are the best things for the 1.6 million
8 people of the City of Philadelphia.

9 COUNCILMAN KENNEY: Well, I wish it
10 were 1.6, George, to tell you the truth. I think
11 it's about 1.875. And may I say -- and shrinking,
12 at an alarming rate.

13 Well, all I can do is read the
14 statement. If the statement is incorrect, then
15 maybe I could be corrected, but the statement is
16 clear and unless our mayor was misquoted, then I
17 think that there's a real problem here as far as
18 what telling me here today and what may be the
19 belief of the Administration.

20 MR. BURRELL: I don't -- again,
21 Councilman, I don't want to -- I've given you my
22 response to that.

23 COUNCILMAN KENNEY: I appreciate that.

24 MR. BURRELL: I think that we would --
25 we would -- all of us would be naive if we

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2 believed that the public doesn't believe,
3 regardless of the element of money in the
4 politics, that people have relationships and
5 friends and others who have access to them. I
6 think people believe that. I have that
7 conversation in my church on Sunday mornings, I
8 have that conversation with people.

9 There is a cynicism about politics in
10 this country and in this city that goes well
11 beyond, well beyond just the influence of money.
12 If you want to deal with that at some point in
13 time, we can.

14 COUNCILMAN KENNEY: Sure.

15 MR. BURRELL: But there is a belief out
16 there in the "old boys network" that doesn't
17 relate to dollars and cents; it just relates to
18 relationships that have existed over time and have
19 been handed down from generation to generation in
20 the political community in this city.

21 COUNCILMAN KENNEY: I've been in my New
22 Year's Club for 25 years and I've got a lot of
23 good friends that I've had for my whole life, and
24 I've done some of them favors. There's not one of
25 them in there that's written me a \$25,000 check, I

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2 can assure you; nor does anyone in that room have
3 the ability to write me a \$25,000 check. And
4 that's the problem, that's the problem.

5 MR. BURRELL: But the point -- you've
6 just made my point, which, I think Councilman, and
7 that is that people in this business do favors for
8 friends of theirs, whether they give them money or
9 not --

10 (Unintelligible, parties talking over
11 each other.)

12 COUNCILMAN KENNEY: Favors like getting
13 somebody's trash picked up.

14 MR. BURRELL: With all due respect,
15 people believe -- but somebody believes that if
16 you picked his trash up and didn't pick mine up,
17 he got it an advantage that I didn't get. It's
18 the nature of the business, Councilman.

19 COUNCILMAN KENNEY: Favors getting an
20 abandoned car removed favors, favors getting the
21 trash picked up -- not favors buying somebody's
22 property for millions of dollars, not favors
23 giving someone a tax increment financing
24 legislation when it could arguably be said that
25 the person shouldn't get it or doesn't deserve

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2 it.

3 So, I mean, I'm not saying that there's
4 a difference between doing favors for people and
5 then doing favors for people when it involves
6 large amounts of campaign contributions.

7 MR. BURRELL: Let me be very clear for
8 the record that my original comment, I think,
9 responded to that, but I don't -- now that we've
10 gotten into this conversation about favors and
11 you've broadened the scope of the definition of a
12 favor, let me be very clear that this
13 administration has not done any favors for
14 individuals with respect to the acquisition of
15 property or any of the other issues that you have
16 just described, that the decisions of this
17 administration are based upon the merits of the
18 situation in front of us.

19 COUNCILMAN KENNEY: I don't think that
20 they have. I just think that the press reports it
21 and people believe it. And that's the problem.
22 Perception in this business, as you know, is a
23 very important issue, and I think the perception
24 of our government, that it might be for sale, is a
25 bad thing.

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2 Thank you very much.

3 COUNCIL PRESIDENT Verna: Thank you.

4 The Chair recognizes Councilman Ortiz.

5 COUNCILMAN ORTIZ: There have been
6 great philosophers that have discussed governance
7 in many ways -- Aristotle, Socrates, Plato.

8 COUNCIL PRESIDENT Verna: Councilman,
9 we're having difficulty hearing you.

10 COUNCILMAN ORTIZ: Talking about
11 pillows philosophers discussing governance, from
12 Plato and Socrates and Aristotle. And one of my
13 favorites, one of my favorite ones is a South
14 Philadelphia politician and a great philosophical
15 statement made in which he stated that money talks
16 and that that walks.

17 And it's interesting that -- I think,
18 as the statement made by my colleague Jim Kenny,
19 there is a perception that this government is for
20 sale, that there is a culture in Philadelphia that
21 exists, and I believe the Inquirer and the Daily
22 News -- the Inquirer wrote extensively about it a
23 couple of years ago about the pay-to-play syndrome
24 that affects a lot of business people, and I have
25 had conversations with business folks that have

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2 come to us and stated that they're sick and tired
3 of being held up for campaign contributions and
4 then being threatened, in essence, in many
5 sophisticated ways, that unless the money is not
6 forthcoming, certain things will not be done.

7 And whether it's true or not, the
8 perception -- and I would like your comment on it,
9 the perception that there is a pay-to-play culture
10 in this city is real in Philadelphia.

11 MR. BURRELL: Councilman, let me try to
12 answer that carefully. I have been closely
13 associated with the Mayor as a candidate for
14 mayor, having worked a number of years on his
15 campaign and with the people who raised the money
16 to support that campaign, and now having worked
17 for the last year as a part of the Mayor's
18 administration, and I would personally be appalled
19 and amazed if there are people who are saying that
20 they have been held up to make contributions to
21 Mayor Street. The reality is that in a
22 campaign --

23 COUNCILMAN ORTIZ: If I may interrupt
24 you. The stories that -- and I asked you about a
25 perception, not about this office or this mayor,

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2 because I think the culture permeates this, and it
3 transcends whoever it is in office.

4 MR. BURRELL: But I have to -- but with
5 all due respect, Councilman, I have to answer it
6 first in a personal sense because I'm not sure
7 that in the characterization that you gave that it
8 was clear that you were not making a reference to
9 this mayor. And so I want to be very clear
10 that --

11 COUNCILMAN ORTIZ: I mean, Ozzie Meyers
12 made this comment in 1982.

13 MR. BURRELL: Right.

14 COUNCILMAN ORTIZ: So we're not talking
15 about something that is brand-new to the political
16 reality or the political culture of Philadelphia.

17 MR. BURRELL: We all --

18 COUNCILMAN ORTIZ: The stories in the
19 Inquirer came out three years ago about
20 pay-to-play.

21 MR. BURRELL: We all understand that
22 the cost of getting elected to be mayor, the cost
23 of getting elected to be a member of this august
24 City Council, the cost of getting elected to State
25 elected office, the cost of getting elected to

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every office in the political spectrum is increasing precipitously and dangerously in the society that we live in today. But we are partly captives of that, as I said to Councilman Kenney, in trying to find the balance between how to get an appropriate amount of money into political campaigns so that voters can be truly informed. And what we want are voters who are truly informed to be able to elect responsible people to public office.

We would prefer that the perception, which is written about and often held by people in the public, were not there. I'm not sure that we are ever going to get to the point where we can remove that perception completely. I do think that we can get to a place where we have comprehensive and meaningful campaign finance reform so that people believe there are some very clear rules and guidelines by which people are bound.

COUNCILMAN ORTIZ: So let's get to that, let's get to that. Meaningful campaign finance reform. Before we had my bill and that was too comprehensive, going too fast. Bill 505,

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2 you say, falls short.

3 Tell me, in your opinion, what would
4 make Bill 505 right now a important step, moving
5 forward to bringing in and reining in the ability
6 of money to influence political elections? What
7 needs to be added to this bill?

8 Let's not -- since you are in favor of
9 campaign finance reform and the Mayor is in favor
10 of campaign finance reform, tell us now, let us
11 begin the dialogue now. Tell me what the Mayor
12 and you would suggest that we add to 505, or to my
13 bill that's still in committee, but to 505 that is
14 in front of us so that we can make it a meaningful
15 step forward.

16 MR. BURRELL: The unfortunately,
17 Councilman, I'm not in a position to go that far
18 with respect to detail today. I think, as I said
19 in my --

20 COUNCILMAN ORTIZ: Give me some ideas.

21 MR. BURRELL: I think what I said in my
22 testimony is that we need a process that allows us
23 to get to that. What is clear is that if you
24 create a \$1,000 and a \$5,000 limitation on the
25 contributions to local elected officials -- the

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2 Mayor, Councilmembers, the District Attorney, and
3 the City Controller -- there is abundant evidence,
4 abundant evidence at the federal level and in the
5 other municipal jurisdictions that that doesn't do
6 anything to reduce the amount of money being
7 invested in political campaigns or reduce the
8 costs.

9 COUNCILMAN ORTIZ: Mr. Burrell --

10 MR. BURRELL: Let me just finish,
11 Councilman, please.

12 Almost \$40 million was spent in a
13 Senate campaign in the State of New York this
14 year, almost \$40 million.

15 COUNCILMAN ORTIZ: Councilman,
16 Councilman -- I mean --

17 MR. BURRELL: I respond to that,
18 Councilman.

19 COUNCILMAN ORTIZ: Okay. George, over
20 \$500,000 was probably spent on a District Council
21 race in Philadelphia, probably in one of the
22 poorest districts not only in the City but maybe
23 in the country. It is most abominable that we
24 have to spend that amount of money in districts.

25 But I'm not asking -- I am asking you,

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2 because you say a process has to get started. I
3 believe that this is the process. I believe that
4 we should get started here. I believe that this
5 is the body to begin moving this forward.

6 If a process is what's needed,
7 according to you, let us then begin and make a
8 commitment that during the next few months, this
9 Committee of the Whole will begin, and we are
10 beginning, a process of developing comprehensive
11 finance reform. Because it can't be done outside
12 of these walls. This is the legislative body of
13 the City. Whether some people believe it or not,
14 we are the legislative body of the City. And if
15 there's a process to begin, I think this is the
16 process.

17 MR. BURRELL: Councilman --

18 COUNCILMAN ORTIZ: So I am asking you
19 to look at the legislation that is in committee,
20 both the comprehensive bill that I put forward,
21 the 501 -- the 505 bill that, you say, falls
22 short. And instead of saying let us not approve
23 it, come back to us with your recommendations so
24 that then we can hold a meeting and we can say the
25 Administration is for campaign finance reform, and

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2 this is what they're recommending. Not that it
3 cannot be done, not that it's been futile at the
4 federal level, but that we, here in Philadelphia,
5 are not the federal level, but that we are going
6 to be committed to beginning a meaningful
7 process.

8 So that if you say 505 falls short,
9 give us the Administration's point of view and see
10 where we go from there.

11 MR. BURRELL: Councilman, as I
12 responded to Councilman Kenney and remind you, I
13 believe the Mayor, when we met in June, in advance
14 of the last hearing, said that he would be
15 prepared, as part of those discussions, to have a
16 discussion about campaign finance reform.

17 COUNCILMAN ORTIZ: We also asked for
18 something in writing, and we never got it.

19 MR. BURRELL: I think -- I think --

20 COUNCILMAN KENNEY: Sorry,
21 Councilmember.

22 COUNCILMAN ORTIZ: Yes?

23 COUNCILMAN KENNEY: Councilman Ortiz
24 will yield.

25 My offer today would be to let this

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2 bill out of committee as is and I will commit to
3 keeping that bill on the calendar until the
4 Administration comes back with changes that they
5 think is appropriate. I'd be happy to entertain
6 those changes and let the Council make a final
7 decision.

8 I do believe that if we let this thing
9 go today, we won't see any movement in any effort
10 in any way to get this thing resolved. But if
11 there's something sitting on the calendar that
12 focuses the Administration's attention on dealing
13 with it, I'll be happen to deal with them as long
14 as it needs to be dealt with.

15 MR. BURRELL: But I believe, and I
16 testified to this earlier, that there needs to be
17 a process to do this. I think you are going to
18 hear testimony --

19 COUNCILMAN KENNEY: This is the
20 process.

21 MR. BURRELL: I think you are going to
22 hear testimony today from a number of interested
23 parties who ought to be a part of that process,
24 who ought to be a part of that dialogue as we
25 frame and shape what campaign finance reform does

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2 here. We ought to try to bring some of the
3 interested State parties. Whether we can bind
4 them or not, we need to have some discussion with
5 State parties about campaign finance reform.

6 COUNCILMAN KENNEY: Why don't you just
7 take --

8 MR. BURRELL: -- like the steps that we
9 are about to take increases the ability of State
10 elected officials to have influence on our
11 elections in the City of Philadelphia. It's not a
12 good outcome.

13 COUNCILMAN KENNEY: Just view you 505
14 as a vehicle, between now and the time we pass it,
15 while it sits on the calendar, as a vehicle to get
16 that accomplished, because all of us, as you know,
17 elected officials all need their feet held to the
18 fire. This will be the fire being held to our
19 feet and we'll then get it done.

20 MR. BURRELL: But a request --

21 COUNCILMAN ORTIZ: Mr. Burrell, if I
22 may, if I may.

23 I believe -- I believe that the City
24 Council of Philadelphia is the body, is the
25 process. We can bring all of the interested

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2 parties to a process of discussion and debate and
3 get it down, but we need -- we need from you at
4 this time, because I don't want to go forward --
5 we need from you at this time something in
6 writing.

7 You say you support it, that you
8 support campaign finance reform. We have two
9 bills -- one that is, as you say, falls short and
10 one that is perhaps more comprehensive. We have
11 -- we have two areas already submitted to this
12 Council. We need something in writing, in writing
13 to see where it is that we begin to go and move
14 on.

15 If you are willing, if the
16 Administration is willing to give us something in
17 writing based on 505 or based on my bill --

18 COUNCILMAN KENNEY: Our bill.

19 COUNCILMAN ORTIZ: Our bills, our
20 bills. That we could begin to structure a process
21 and a bill that will be -- that will be sound, not
22 that will be acceptable to everybody, but that it
23 will be sound and constitutionally viable --

24 MR. BURRELL: Councilman, I will take
25 your request to the Mayor, but I will go back to

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2 the discussion that we had in June, and I believe
3 that it would continue to be the preference of the
4 Mayor and the Administration to sit with you and
5 Councilman Kenney and other members of the
6 Council, if that be appropriate, that the
7 President would designate or otherwise, and have a
8 discussion around the issue of campaign finance
9 reform.

10 The request then -- and I make -- as I
11 recollect, the request then was to hold the bill
12 and that we would work with you through the summer
13 on the issue of campaign finance reform. The
14 decision then, the fully appropriate decision, was
15 to go ahead and hold the public hearing. We
16 opposed that bill then, we oppose this bill now.
17 We are opposed -- we are not opposed to having
18 meaningful dialogue and discussion about the issue
19 of campaign finance reform.

20 COUNCILMAN ORTIZ: But I think the
21 meaningful dialogue begins with a position. If
22 you say you're for it, then you have to have a
23 position as to what you are for. I have stated
24 what I'm for, I have put it in writing. Jim Kenny
25 and I have worked on this for over a year. We

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2 have tried to bring a process together that
3 nurtures, nurtures debate.

4 We need something from you in writing
5 that states, one, what can be done to 505 or to
6 the other bills to enhance and to make them
7 viable, make them constitutionally acceptable,
8 bring them together, and enact comprehensive and
9 fair campaign finance reform.

10 Because we cannot continue -- look at
11 this -- look at this chart from the Daily News,
12 okay? Over \$400,000. Another District
13 Councilperson spending over 250. Another District
14 Councilperson spending over 200. Another District
15 Councilperson spending over 200. A Republican
16 spending over \$300,000.

17 I mean, look at this. This is not --
18 this is just what --

19 MR. BURRELL: With all due respect,
20 Councilman, neither this bill, nor the bill that
21 was proposed and discussed last summer would limit
22 the amount -- would prevent people from being able
23 to spend that amount of money on campaigns.

24 COUNCILMAN ORTIZ: Mr. Burrell, we are
25 not saying that these are the bills that are

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2 perfect, but we -- it is a beginning.

3 So if it is going to continue and we're
4 going to be able to -- I request and I'm sure
5 Councilman Kenney joins me in this, give us
6 something from which we can begin a meaningful
7 dialogue in writing. If you're for it, put it
8 down and say what it is in campaign finance reform
9 you are for. If it is public financing, fine; if
10 not, say why not. Go down.

11 Give us something in writing because it
12 is -- it is easy to say "I am for this" if you
13 never are ever going to have to stand up for it at
14 one point or another.

15 Thank you, Madam Chair.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 Are there any other questions from
18 members of the committee?

19 (No further questions.)

20 COUNCIL PRESIDENT VERNA: Mr. Burrell,
21 thank you very much.

22 MR. BURRELL: Thank you, Madam
23 President.

24 COUNCIL PRESIDENT VERNA: The Chair
25 recognizes Mr. Charles Pizzi.

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2 (Witness comes forward.)

3 MR. PIZZI: Good afternoon, Madam
4 President and members of City Council.

5 COUNCIL PRESIDENT VERNA: Good
6 afternoon.

7 MR. PIZZI: For the record, my name is
8 Charles Pizzi, I'm President of the Greater
9 Philadelphia Chamber of Commerce. And I'm pleased
10 to have the opportunity to testify on Bill 505.

11 I, first of all would, like to commend
12 Councilman Kenney for his leadership on this issue
13 and also acknowledge the cosponsors of this bill.

14 Unfortunately, we are all too familiar
15 with the escalating costs of elections. As you
16 know, last year's municipal elections in
17 Philadelphia were the most expensive in the
18 nation's history. What we all know is that money
19 involved in political campaign is growing out of
20 control.

21 The Chamber feels that Bill 505 offers
22 a reasonable start that will reduce or eliminate
23 perception of a pay-to-play system. But most
24 importantly, the concept would be to shift the
25 focus from the chase for campaign dollars back to

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2 public policy-making, where it should be.

3 Ultimately, this bill could restore the health of
4 our election process and reinforce the authority
5 of the voting public.

6 As a representative of the business
7 community and someone who manages a political
8 action committee, I can tell you firsthand that
9 the corporate community is growing increasingly
10 concerned about the amount of political
11 fund-raising. While we accept that this has
12 become an important component of our political
13 system, it is difficult not to become weary of the
14 many requests for political contributions.

15 Unfortunately, the effect of interest
16 -- with increasing fund-raising has drawn
17 attention away from issues and on to money. We as
18 constituents deserve representatives who best
19 address our issues and concerns, not those who
20 simply win the money battle.

21 While the Chamber supports the concept
22 of Bill 505, we do so with qualifications. For
23 example, I would ask the members of City Council
24 to consider tightening up the loopholes that exist
25 to assure that the intent of the bill would not be

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2 circumvented.

3 Thanks for the opportunity to testify
4 of, and I would be happy to answer any questions
5 that you or the other members of City Council
6 might have.

7 COUNCIL PRESIDENT VERNA: Thank you.

8 Are there any questions from members of
9 the committee?

10 The Chair recognizes Councilwoman
11 Brown.

12 COUNCILWOMAN BROWN: Good afternoon,
13 Mr. Pizzi.

14 MR. PIZZI: Good afternoon.

15 COUNCILWOMAN BROWN: I would like to
16 respond to -- my question is related to your last
17 few comments. You suggested that there's
18 loopholes in the bills, that's one of the
19 qualifications upon which the Chamber may be
20 comfortable in supporting the bill. Can you cite
21 an example for us?

22 MR. PIZZI: The loophole would be
23 concerning PACs and the creation of PACs and how
24 you could funnel money through those PACs to the
25 candidates. That's one loophole that we would

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2 have to see how to shore up.

3 COUNCILWOMAN BROWN: So you believe
4 that though this may be viewed as a piecemeal
5 approach, it will feed or contribute to the big
6 picture?

7 MR. PIZZI: I think it's a good -- I
8 think it sends a good message coming out of City
9 Council that we think about campaign reform. I
10 think it has to be -- you know, there needs to be
11 worked on it, but I think it's a great starting
12 point and it sends the right message, that we're
13 trying to shift away from raising dollars to
14 raising the importance of public policy positions
15 in a campaign, as opposed to just raising money.

16 COUNCILWOMAN BROWN: Okay, then --

17 MR. PIZZI: But I think it is a very
18 difficult task. I mean, remember, we all thought
19 finance reform happened in the federal side but we
20 -- you know, this fall election, we had an
21 onslaught of soft money.

22 COUNCILWOMAN BROWN: Mm-hmm.

23 MR. PIZZI: Well, it sort of
24 circumvents the whole --

25 COUNCILWOMAN BROWN: Completely.

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2 MR. PIZZI: Right.

3 COUNCILWOMAN BROWN: The intent, if you
4 will.

5 MR. PIZZI: Yes, thank you.

6 COUNCILWOMAN BROWN: And so then you
7 agree, then, that the bill, at least as it's
8 currently written, needs to address the fact --
9 the reality, that being that there becomes this
10 balloon effect of soft money that's legitimate but
11 dampens it -- dampens the --

12 MR. PIZZI: The intent.

13 COUNCILWOMAN BROWN: The intent of the
14 bill.

15 MR. PIZZI: Yes.

16 COUNCILWOMAN BROWN: All right, then.
17 Thank you.

18 MR. PIZZI: Thank you.

19 COUNCILWOMAN BROWN: Thank you, Madam
20 Chair.

21 COUNCILMAN KENNEY: Thank you.

22 The Chair recognizes Councilman Kenney.

23 COUNCILMAN KENNEY: Thank you,
24 Mr. Pizzi, and thank you for waiting. I
25 appreciate your patience.

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2 Without naming names obviously, could
3 you talk a Liberty about the attitude and things
4 that maybe members of your chamber have said to
5 you about this process, both from the aspect of
6 being hounded continuously for money from every
7 level, not just from municipal candidates, but
8 from the Governor, the Congress people, U.S.
9 senators, and everybody running.

10 And, secondly, the exposure that they
11 feel when doing a legitimate development project
12 or a legitimate issue before the City government
13 and having in their mind to almost be compelled to
14 participate in a mayoral election or in some other
15 election, where then their issue comes before the
16 body or through the office that, in fact, they
17 contributed to.

18 In my mind, it can't be a very
19 comfortable position, although it seems to me,
20 that's the rules of the game and so they have to
21 play by those rules.

22 MR. PIZZI: Councilman, I think on all
23 levels, there has -- there is a saturation point.
24 Just as public officials who are running for
25 office don't like to make the phone calls, the

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2 people on the other end don't like to answer, but
3 they do, and they do because they feel as though
4 right now, this is the way in which the process is
5 made up and they want to participate in that
6 process.

7 I, frankly, don't get involved with the
8 people who give the amounts that you were stating
9 before. Frankly, for the most part, I don't even
10 know sometimes if they are members of the Chamber.

11 But the fund-raising we do, we do
12 because we want to support candidates who really
13 want to create a better environment for all of the
14 constituencies. I can tell you, Councilman, we do
15 not take a contribution on a specific topic or
16 issue; but rather, when we go and we support our
17 candidates, we don't ever -- and this is because
18 it's the filter that we provide. We don't ever go
19 and say, Geez, we want you to remember this issue
20 or that issue. We'd just rather say, We're
21 supporting you because we think you're the best
22 person for the job.

23 It does get clouded with major
24 contributions, though. And so, I think that's the
25 best way to frame it.

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2 COUNCILMAN KENNEY: And just one
3 comment on the soft-money issue. While I
4 recognize it's been a tremendous problem on the
5 federal level, I think, because of all of the
6 competing interests on the federal level, I think
7 anyone would agree that when it comes to national
8 policies, whether they be environmental policies
9 or gun policies or child-care policies, they do
10 affect a larger group of people with a larger
11 potential number of interest groups.

12 I don't think the same thing exists on
13 the city level, although I do think it potentially
14 could be a problem. However, I would not have as
15 much of a problem with the Chamber of Commerce or
16 the AFL-CIO or the teachers union or any trade
17 association providing money to put on a television
18 commercial that explains their position. I think,
19 in many ways, that's a First Amendment privilege.

20 And I think that's where the soft money
21 issue gets a little cloudy, because on the one
22 hand, it looks as if that particular trade
23 association or group is sponsoring or promoting
24 one particular candidate, when in fact, what
25 they're trying to do is get their position across

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2 to the public in a very clear and understandable
3 way.

4 So the Chamber of Commerce of
5 Philadelphia doing a commercial about an issue
6 that relates to a particular campaign, to me, is
7 not as much of a problem as it is an individual
8 candidate, whether it be the executive candidate
9 or a legislative candidate, who actually has to
10 cast a vote for an issue or against an issue,
11 clouded with the potentiality that someone in the
12 public could argue that you're casting -- you're
13 against -- you're for something because of
14 something that was done for you during the
15 campaign.

16 MR. PIZZI: Right.

17 COUNCILMAN KENNEY: So while the
18 soft-money issue, I think, needs to be addressed
19 in a wholistic way, both in the federal level and
20 the State and local level, I am not as much
21 offended by organizations raising money to profess
22 their First Amendment rights as I am on particular
23 candidates taking large chunks of campaign cash
24 and then making decisions later on, six months
25 later, on that particular person's situation.

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2 MR. PIZZI: Well, I agree with you
3 because there is a responsible organization behind
4 that. It's --

5 COUNCILMAN KENNEY: And they disclose
6 it.

7 MR. PIZZI: Right. It's when -- I mean
8 where there's tightening that needs to be done,
9 Councilman, it's where you don't know who's behind
10 that particular advertising or promotion, that's
11 where the worry comes in.

12 And as I said, Councilman, I think this
13 is the right message to send out from our Council
14 chambers, that we, you know, you're taking the
15 time as the Committee of the Whole to listen about
16 campaign reform. That's an important message to
17 get out.

18 I just think once we get out, we want
19 to make sure that the bill is tight and it is a
20 clairvoyant to everyone, and not just to the
21 sophisticated lawyers, who read -- how to read the
22 small print, as it were.

23 COUNCILMAN KENNEY: Whether there --
24 passes or not, there will still be sophisticated
25 lawyers in the world, often getting bond work.

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2 That's the problem.

3 MR. PIZZI: But I understand, and just
4 like you, everybody should have the same rights.
5 I mean, every citizen should have the same kind of
6 access. I truly believe in the process, and we
7 all come to these chambers having those noble
8 goals.

9 I just think the legislation is in the
10 right direction. I just think it needs to be
11 laser-focussed once it's completed so that you
12 don't put one party ahead of another.

13 COUNCILMAN KENNEY: Thank you very
14 much.

15 MR. PIZZI: Thank you, Councilman.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 Any other questions from members of the
18 committee?

19 The Chair recognizes Councilman Clarke.

20 COUNCILMAN CLARKE: Thank you, Madam
21 Chair.

22 Good afternoon, Mr. Pizzi.

23 MR. PIZZI: Good afternoon, Councilman.

24 COUNCILMAN CLARKE: Mr. Pizzi, in the
25 last couple of sentences in the testimony between

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2 yourself and Councilman Kenney, there was a
3 reference to organizations similar to -- such as
4 the teachers union, the Chamber of Commerce. And
5 when we talk about a level playing field, I'm
6 concerned that if those organizations are able to
7 raise money to whatever degree and get their
8 message out in terms of the candidates that they
9 support, how could we have a level playing field
10 if, say, for instance, the North Central Block
11 Captains Association wanted to get their message
12 out?

13 MR. PIZZI: Well, that's -- that was --
14 that's precisely the concern, to make sure that
15 the legislation provides for them to have the
16 opportunity to do that. I mean, ultimately --

17 COUNCILMAN CLARKE: Because it's one
18 thing to provide and one thing to have the ability
19 to raise money. I mean, realistically, the North
20 Central Block Captains Associations, which is a
21 very good group that I work with on a consistent
22 basis, does not have the wherewithal to raise
23 money to get their message out like the Chamber of
24 Commerce.

25 MR. PIZZI: Yes, but then they have the

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2 necessary foot soldiers in order to really make
3 sure that they get it out by word of mouth. I
4 mean, there's all different kinds.

5 I am not saying that -- that they --
6 that we should have a better right than them. I
7 think everybody should have equal rights under the
8 law. That's why it should be a very tight law.

9 I'm -- and the reason why I say that,
10 Councilman, is at least you know who we are. If
11 PACs were just made up and you didn't know who
12 were in back of those PACs, that's where the real
13 danger is.

14 COUNCILMAN CLARKE: And I know who the
15 North Central Block Captains Association is.

16 MR. PIZZI: Right. And so they should
17 have the right to take part in the process as
18 well.

19 I mean, we should not provide barriers
20 to any group, any group who wants to participate
21 in the process. And that's not what I said. I do
22 not believe in setting barriers for any group, any
23 group. This is a democracy.

24 COUNCILMAN CLARKE: It's one thing
25 setting a barrier, but it's one thing to

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2 realistically assume that that organization could
3 be on a parity with other organizations.

4 MR. PIZZI: But I wasn't assuming
5 that --

6 COUNCILMAN CLARKE: The reality is that
7 that group would probably be very dependent on me
8 that they want to get that message out in 2003, to
9 give them the resources to get that message out.

10 MR. PIZZI: I don't -- yeah.

11 COUNCILMAN CLARKE: You know.

12 MR. PIZZI: I'm not disagreeing with
13 anything you're saying.

14 COUNCILMAN CLARKE: Okay, thank you.

15 MR. PIZZI: I agree that the block
16 captains in North Philadelphia should be able to
17 participate in this process. And if for any reason
18 they shouldn't be able to participate, then we
19 have a problem.

20 COUNCILMAN CLARKE: Thank you.

21 Thank you, Madam Chair.

22 COUNCILWOMAN BLACKWELL: Thank you.

23 Are there any other questions?

24 (No further questions.)

25 COUNCILWOMAN BLACKWELL: Thank you.

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2 MR. PIZZI: Thank you.

3 COUNCILWOMAN BLACKWELL: Kay McKenna,
4 Philadelphia League of Women Voters.

5 (Witness comes forward.)

6 COUNCILWOMAN BLACKWELL: Good morning,
7 welcome.

8 MS. MCKENNA: Good afternoon, Madam
9 Chairman and members of Council.

10 COUNCILWOMAN BLACKWELL: Yes, I guess
11 it's getting late.

12 MS. MCKENNA: The League appreciates
13 very much the invitation to testify before the
14 City Council Committee of the Whole on Bill 505.

15 COUNCILWOMAN TASC0: Please identify
16 yourself for the record.

17 MS. MCKENNA: And --

18 COUNCILWOMAN BLACKWELL: Please
19 identify yourself for the record before you begin.

20 MS. MCKENNA: Yes. I am Kay McKenna
21 and I am the City Council Observer for the League
22 of Women Voters. I'm speaking for Heidi Gold, our
23 President, and the Board of the League of Women
24 Voters.

25 As I say, we really appreciate the fact

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2 that the bill exists and that you are holding
3 these hearings, especially in the Committee of the
4 Whole.

5 The League of Women Voters of the
6 United States and the League of Women Voters of
7 Pennsylvania and the League of Women Voters of
8 Philadelphia support the improvement of methods of
9 financing political campaigns in order to ensure
10 the public's right to know, to combat corruption
11 and undue influence, to enable candidates to
12 compete more equitably for public office, and to
13 promote citizen participation in the political
14 process. The League of Women Voters of
15 Philadelphia is very pleased that City Council has
16 begun the effort to eliminate undue influence of
17 large contributors to candidates for City office
18 in this bill, 505.

19 In order to enable candidates to
20 compete more equitably and to promote greater
21 citizen participation -- and by "citizen
22 participation," we not only mean citizens
23 interested in voting but also the interest in
24 running for office. We think it's very important
25 to add voluntary spending limits for candidates to

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2 this bill, and this is the way we can truly level
3 the playing field for candidates running for
4 office.

5 Very often, when we've talked to
6 Councilmembers about campaign finance reform,
7 people will say, Well, I'm doing all right in the
8 present scheme of things, but reform is all right
9 as long as the playing field is level, as long as
10 we have a level playing field. Well, voluntary
11 spending limits for candidates really do limit the
12 -- level the playing field.

13 From 1969 through 1998, 77 United
14 States cities and counties enacted campaign
15 finance legislation affecting their local
16 elections, according to a study done by the
17 National Civic League. New York, San Francisco,
18 Los Angeles, Cleveland, Oakland, Tucson, Arizona,
19 and many smaller municipalities have included both
20 contribution limits and voluntary spending limits
21 in their reform. Each city decides on its own
22 reform; they're not all alike by any means.

23 We were particularly happy today to
24 hear of the Mayor's interest in a more
25 comprehensive plan, and we really look forward to

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2 seeing what the Mayor would add to the current
3 proposal and the proposal of Councilman Ortiz last
4 spring.

5 We're very grateful for this
6 opportunity. Thank you very much for letting us
7 appear.

8 And in regard to the National Civic
9 League's book on campaign finance reform, this is
10 it, and I do believe we gave it out to
11 Councilpeople last spring.

12 Thank you.

13 COUNCILWOMAN BLACKWELL: Would you wait
14 a moment. Thank you very much.

15 Are there any questions for Miss
16 McKenna?

17 (No questions.)

18 COUNCILWOMAN BLACKWELL: Thank you very
19 much.

20 MS. MCKENNA: Thank you.

21 COUNCILMAN DICICCO: Madam Chair?

22 COUNCILWOMAN BLACKWELL: Yes. Miss
23 McKenna, have a seat again, please. I'm sorry.

24 MS. MCKENNA: Mm-hmm.

25 COUNCILWOMAN BLACKWELL: Councilwoman

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2 Reynolds Brown?

3 COUNCILWOMAN BROWN: Did you have an
4 opportunity to hear the testimony of the former
5 witness, Mr. Charles Pizzi?

6 MS. MCKENNA: Yes, I did.

7 COUNCILWOMAN BROWN: He indicated -- my
8 summary of his testimony is that he supports the
9 bill with qualifications. What is the position of
10 the League of Women Voters? The content of the
11 bill as is currently written is completely
12 satisfactory, there are components of the bill
13 that don't sit well?

14 MS. MCKENNA: As I said, Miss Reynolds,
15 we really do think it's a great start, because it
16 really helps eliminate the undue influence of
17 large contributors. It really goes a long way to
18 eliminating pay for play.

19 But it would be a much more
20 satisfactory bill, in our estimation, if you had
21 voluntary spending limits for the candidates.
22 Because as you have it written now, it is rather a
23 rich candidate's dream. You get the pay-to-play
24 business off your back as a candidate but you're
25 free to spend as much as you want. And if you

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2 have a great deal of money, particularly in your
3 personal resources, you really have a much better
4 chance.

5 COUNCILWOMAN BROWN: What's your
6 reaction to the perceived loophole that soft
7 money, meaning those organizations that are
8 created outside of the realm of the candidate?

9 MS. MCKENNA: Soft money or money that
10 can be given to the party, limitations on that
11 would be very, very welcome. That is very
12 complicated, it's a very complicated issue to do
13 it fairly and right and not limit the rights of
14 other organizations and movements, but it has
15 become a very serious loophole on the federal
16 level. And it needs -- it really should be
17 addressed.

18 COUNCILWOMAN BROWN: Are you familiar
19 with the fact that campaign finance reform has
20 been attempted in other cities? And apparently,
21 based on information I've read, New York is the
22 only one that is beginning to make some headway.
23 Are you aware of that?

24 MS. MCKENNA: Oh, there have been 77.
25 As of 1998, there have 77 United States cities and

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2 counties.

3 COUNCILWOMAN BROWN: But the question
4 is, which one -- it's based on my understanding
5 that New York is one of the few that has had
6 success, because you can attempt anything. The
7 question becomes, where has there been extensive
8 success?

9 MS. MCKENNA: No, I'm talking about 77
10 cities have actually enacted local campaign
11 finance reform successfully, successfully, and are
12 operating under their own campaign finance reform
13 laws.

14 New York has -- has experienced two
15 campaign finance reform laws. The first was in
16 the '80s, and I believe the second was in the
17 early '90s. And the other cities that I named in
18 my testimony are cities around the country that
19 have done both voluntary spending limit and limits
20 on contributors.

21 COUNCILWOMAN BROWN: I'd be happy to --

22 MS. MCKENNA: This is the book that
23 will tell you a great deal. It was published in
24 '99 and it was written in 1998. I believe the
25 League gave out several copies --

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2 COUNCILWOMAN BROWN: Okay.

3 MS. MCKENNA: -- late last spring. And
4 if you don't have a copy available, let me tell
5 you where to call and get one.

6 COUNCILWOMAN BROWN: Please.

7 MS. MCKENNA: The National Office of
8 the National Civic League is in Denver, Colorado,
9 and this is its telephone number for your record:
10 303-571-4343. You can fax them at 303-571-4404.
11 And I'm sure they'd be very happy to provide this
12 to you and also to tell you if they've done any
13 follow-up on those cities. After all, the book is
14 now two years old.

15 COUNCILWOMAN BROWN: I thank you very
16 much.

17 MS. MCKENNA: All right.

18 COUNCILWOMAN BROWN: Thank you, Madam
19 Chair.

20 COUNCILWOMAN BLACKWELL: Thank you very
21 much.

22 Miss McKenna, we have two more
23 colleagues who would like to ask you questions.

24 MS. MCKENNA: Yes.

25 COUNCILWOMAN BLACKWELL: Councilwoman

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2 Tasco?

3 COUNCILWOMAN TASC0: Yes, I was just
4 going to ask you, has there been a follow-up on
5 those cities in terms of the impact on local
6 elections? Did any independents or any people who
7 would not have run for office run for office, and
8 when?

9 MS. MCKENNA: It's hard to believe that
10 those stories aren't there. I don't personally
11 know the history of it, and I'm sure the National
12 Civic League knows many more examples of what's
13 happened as a result of campaign finance reform.

14 I am sure the League of Women Voters
15 would be glad to spend a little time looking into
16 that and report back to you.

17 COUNCILWOMAN TASC0: I think it's very
18 important.

19 I will just say to you that in 1987,
20 when I ran for Council, unless we find a way to
21 control the soft money and to limit the spending
22 of independent groups, those of us, particularly
23 who run in Philadelphia, run as independents and
24 not endorsed by the party have a very hard time if
25 we are limited and they are not. They have an

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2 organization that they can pull on the street for
3 their candidates, and they can spend on behalf of
4 the candidates, and independents have a very hard
5 time competing.

6 In 1987, when I ran for City Council, I
7 was not the endorsed Democratic candidate. I was
8 able to raise money and spend money, and you spend
9 money to get your message out. This literature,
10 TV time and all of this is not free. The media is
11 not giving away free time, they're not giving away
12 free advertising. You have to pay for it.

13 MS. MCKENNA: Mm-hmm.

14 COUNCILWOMAN TASC0: In order to pay
15 for it and get your message out, you have to raise
16 the dollars. And I had to be able to compete with
17 a party that had an organization in place and
18 everybody supporting someone else other than me.
19 And I look at it as a way if you don't level the
20 playing field for all of the parties involved in
21 the campaign spectrum, then someone is going to
22 lose, and it ends up that those people you want to
23 enter into the political arena who are, quote,
24 (unintelligible) can't get elected otherwise won't
25 get elected at all.

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2 MS. MCKENNA: Yes. I certainly agree
3 with you and sympathize with your situation.

4 The very notion of leveling the playing
5 field is because there are a good many people, no
6 doubt, who are qualified to run for office would
7 make good candidates and good public officials who
8 simply can't enter that money race and really do
9 not want to. So I think -- we think that
10 government on all levels would benefit from a good
11 system of campaign finance reform.

12 COUNCILWOMAN TASC0: Well, they have to
13 have some money.

14 MS. MCKENNA: As you know, the
15 television media has been the most serious
16 opponent of campaign finance reform on the federal
17 level all through this decade through the many
18 attempts and many different bills that have been
19 proposed.

20 COUNCILWOMAN TASC0: They lose.

21 MS. MCKENNA: All right. Any other
22 questions?

23 COUNCILWOMAN TASC0: Thank you.

24 COUNCIL PRESIDENT VERNA: You're
25 welcome.

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2 The Chair recognizes Councilman Ortiz.

3 COUNCILMAN ORTIZ: Yeah. Marion, there
4 are two that I know of in terms -- in New York
5 City, independents. Guillermo (unintelligible) on
6 the upper west side of Manhattan, he ran as an
7 independent against the machine, really was
8 outspent. But in New York, they had public
9 financing plus campaign -- voluntary campaign
10 limits.

11 COUNCILWOMAN TASCO: They also have
12 term limits.

13 COUNCILMAN ORTIZ: No, campaign -- and
14 term limits too and term limits.

15 But -- and he won. And Marguerita
16 (unintelligible) in the Village ran against the --
17 actually the Chief of Staff of the Speaker of the
18 House, and she had every power broker in the City
19 of Manhattan and New York City with her. And she
20 managed. She was an independent, progressive,
21 liberal Puerto Rican woman, lesbian, and she got
22 elected.

23 So there is two individuals that were
24 -- very well benefitted by campaign finance
25 reform against huge outspending by a machine and

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2 otherwise.

3 In the 77 cities with campaign limits,
4 the tragedy of it is that we don't look at other
5 cities. We don't -- whether it be for stadium
6 financing or anything else, we just don't look at
7 other cities. And the experience of those other
8 cities really can be of great help to us.

9 MS. MCKENNA: Yes, I think so.

10 COUNCILMAN ORTIZ: I'm almost afraid to
11 invite anybody to come and speak to us from those
12 other cities, after the experience we had. But we
13 don't learn from other cities, and they are very
14 similarly situated as we are.

15 MS. MCKENNA: Mm-hmm.

16 COUNCILMAN ORTIZ: I think Boston and
17 San Francisco, other cities along those lines,
18 share the same ethnic makeup that we do and the
19 same working-class background.

20 MS. MCKENNA: Mm-hmm.

21 COUNCILMAN ORTIZ: But of all the large
22 cities in the country, I think we're the only ones
23 without some sort of mechanism to limit campaign
24 contributions. And I think it's about time that
25 we started at least talking seriously about it

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2 before another ten years goes by.

3 Thank you for your testimony.

4 MS. MCKENNA: Thank you, Councilman.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 MS. MCKENNA: Thank you, Council

7 President.

8 COUNCIL PRESIDENT VERNA: Are there any
9 questions of this witness?

10 (No further questions.)

11 COUNCIL PRESIDENT VERNA: Our next
12 witness is Lance Haver.

13 (Witness comes forward.)

14 MR. HAVER: Good afternoon. My name is
15 Lance Haver. I am a former candidate for mayor,
16 and I am here today to urge Council to pass this
17 bill.

18 There is something truly obscene about
19 our current practice of allowing campaign
20 investors to help candidates by elected office.
21 It violates our most basic concept of democracy,
22 one person, one vote, and replaces it with one
23 dollar, one vote. The practice of holding
24 auctions instead of elections strikes at the very
25 heart of our democracy erodes people's faith in

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2 government, and creates not the illusion but the
3 reality that political influence can be bought.

4 More directly, the current practice of
5 allowing a handful of wealthy investors to dictate
6 what issues will be raised in an election has a
7 result of limiting our democracy's ability to
8 solve the problems that we face. Even a cursory
9 reading of history shows that it is those without
10 great wealth organized in seeking political power
11 that have forced the changes that have enriched
12 our lives. From an end to slavery to a 40-hour
13 work week to the right organize a union to Social
14 Security and unemployment compensation, issues
15 that represent the great majority of the poor and
16 working people have been raised by political
17 candidates and political parties that were not
18 supported by the super-wealthy and the corporate
19 elite.

20 Since the Buckley case, the political
21 discussion in America has narrowed and our ability
22 to solve problems has lessened. No longer do we
23 have a new frontier, a war on poverty, the Civil
24 Rights Acts, or other great program that have
25 changed people's lives for the better. As

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2 campaigns have become more expensive, they have
3 relied more and more on the campaign investors
4 who, because they can already afford to attend a
5 \$5,000-a-plate dinner, are seeking to keep the
6 status quo and not make any changes. After all,
7 if you can afford to spend \$5,000 for a single
8 meal, why would you want to change anything?

9 In some ways, what is worse is what it
10 forces our candidates to choose between. Either
11 they make the decision that I did, to be ethical
12 and not accept contributions larger than \$100 and
13 be considered a candidate who cannot win, or they
14 make the decision to allow people to buy a part of
15 their campaign, lessening their ability to be
16 independent and thereby be considered a candidate
17 who has a chance to win. It is a horrible choice
18 and one that no person should be forced to make.

19 There is no question in my mind that
20 something must be done before the next municipal
21 election, and there is no question that public
22 financing of all elections is what should be
23 done. But at the very least, pass this bill so
24 that the for-sale sign that hangs over City Hall
25 can finally be removed.

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2 Thank you.

3 COUNCIL PRESIDENT Verna: Thank you
4 very much.

5 Any questions of Mr. Haver?

6 COUNCILMAN CLARKE: Yes.

7 COUNCIL PRESIDENT Verna: I'm sorry.
8 Councilman Clarke?

9 COUNCILMAN CLARKE: Thank you.

10 Good afternoon, Mr. Haver.

11 MR. HAVER: Good afternoon.

12 COUNCILMAN CLARKE: Mr. Haver, as a
13 person that's been out in the neighborhood and
14 working with community organizations throughout
15 the City of Philadelphia -- and I know you've done
16 work in my district and in North Central
17 Philadelphia -- you would have a sense of what can
18 influence individuals and organizations to support
19 candidates; am I correct?

20 MR. HAVER: I would think so, I would
21 hope so.

22 COUNCILMAN CLARKE: All right. There
23 is this unspoken way of influencing
24 organizations and individuals that we don't talk
25 about necessarily in this bill and during the

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2 discussion, and it happens throughout the term of

3 an elected official. Individual groups and

4 particularly in some of the areas where people

5 aren't as affluent as they are, they're very

6 dependent on being able to have small

7 fund-raisers, they're always coming in the

8 Councilmember's office and saying, You got to buy

9 a table, you know, because we need to get a roof

10 on the community building that we have.

11 You're familiar with that.

12 MR. HAVER: Yes, Councilman, of course.

13 COUNCILMAN CLARKE: And realistically,

14 they are very dependent on the local elected

15 official's ability to buy that table or to assist

16 them or in some other way --

17 MR. HAVER: Absolutely.

18 COUNCILMAN CLARKE: -- supporting their

19 organization.

20 MR. HAVER: Absolutely. Without

21 Councilmembers' support, many of the community

22 organizations would cease to function.

23 Absolutely.

24 COUNCILMAN CLARKE: Right. And because

25 we no longer -- you know, this was before I was

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2 around -- have the Class 500 -- it was also called
3 other names that I'm not going to mention here
4 today -- we increasingly find ourselves in the
5 supporting organizations through campaign funds,
6 and there's always some question about whether or
7 not that's a legitimate use of funds, but the
8 reality is, you know, you got to be in a position
9 to help organizations.

10 You agree with that?

11 MR. HAVER: Well, I'm not sure that
12 that would be the best way. I think there are
13 other opportunities, but I certainly don't see any
14 problems with an elected official raising money to
15 support community groups. That's what foundations
16 have done, that's what wealthy people have done
17 throughout the modern history.

18 So to have a candidate set up an
19 organization to raise money for the public good
20 would be welcomed. I can't imagine anyone
21 objecting to it.

22 I think the distinction to me is very
23 clear.

24 COUNCILMAN CLARKE: No, I'm not
25 necessarily talking about setting up an

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2 organization. I mean, the reality is that, you
3 know, some candidates have a campaign fund --
4 well, all of us do. And you are inundated by
5 community organizations and individuals who are
6 requesting that you buy tickets or you support
7 this cause and that cause, and people, you know,
8 use their campaign fund 'cause they might not
9 necessarily have some other entity or some other
10 elected official that's also in their district
11 that has the opportunity of raising money through
12 other methods.

13 MR. HAVER: Well, that's where I
14 probably part company with you. I would strongly
15 recommend that Councilpeople like yourselves who
16 are well-known to the neighborhood and are
17 fighters for the people set up separate
18 organizations so that can fund-raise into those
19 nonprofits, and those nonprofits can be driven by
20 a board and make decisions based on what's going
21 to be effective use of the money.

22 I don't see why it has comeingled with
23 an elective attempt.

24 COUNCILMAN CLARKE: I know, and I -- my
25 preference would, in fact, be to have a separate

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2 entity, but the reality is that when you're
3 talking about setting up a separate entity, you're
4 also talking about setting up a structure. In
5 some neighborhoods, it's relatively easy, some
6 not. And you still have to maintain some level of
7 control over that. And in some neighborhoods,
8 frankly speaking, people just don't come to you at
9 all for support as an elected official for
10 purchase of tickets or purchase of anything.

11 I mean, would you agree with that?

12 MR. HAVER: Well, certainly, there are
13 some groups that don't approach Councilpeople --

14 COUNCILMAN CLARKE: They just have the
15 wherewithal to do it themselves.

16 MR. HAVER: Or they make a political
17 decision that they don't to take any public money.

18 For many years, I was the Executive
19 Director of CEPA. As you know, CEPA never has
20 taken any money from the City. That was a
21 political decision that Mr. Weiner came up with
22 when he started the organization, and the
23 organization continues to believe that it's
24 inappropriate for an advocacy group to take money
25 from the City.

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2 COUNCILMAN CLARKE: And I agree with
3 that, but I'm not speaking of advocacy groups.
4 I'm talking about the mom-and-pop -- the groups
5 that you know that I'm talking about.

6 MR. HAVER: Yeah, absolutely.

7 If I may be so bold, it would seem to
8 me that one of the things that your technical
9 staff could help all of the Council people do is
10 set up --

11 COUNCILMAN CLARKE: I don't personally
12 have a technical staff.

13 MR. HAVER: Right. But I mean City
14 Council's technical staff.

15 COUNCILMAN CLARKE: All right.

16 MR. HAVER: To come up with a
17 boilerplate to help District Councilpeople set up
18 a nonprofit foundation to do all of the good work
19 you're doing so the funds don't have to be
20 comingled so that people don't find themselves in
21 that awkward position.

22 COUNCILMAN CLARKE: Okay.

23 MR. HAVER: I mean, one boilerplate for
24 all of the District offices would be sufficient.

25 COUNCILMAN CLARKE: The issue with

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2 respects to setting up the organization is
3 probably something we could do relatively
4 quickly. The question is getting individuals to
5 contribute to that organization. Sometimes
6 individuals feel more comfortable in contributing
7 to a particular candidate because they know the
8 candidate, as opposed to contributing to some
9 organization that was set up and the people don't
10 have the sense of who the board members are and
11 how money is being spent. So it's a little
12 different.

13 MR. HAVER: Well, I would agree with
14 you it gets trickier, but it's very clear to me
15 that most of the people -- and I know Mr. Burrell
16 for many years, but I don't believe Mr. Burrell
17 was speaking from his heart when he said that most
18 people don't think that someone making a \$10,000
19 campaign contribution aren't trying to buy favor.
20 I believe he knows that --

21 COUNCILMAN CLARKE: I'm not speaking on
22 behalf of Mr. Burrell.

23 MR. HAVER: Right, but I'm just saying
24 that rises to the issue of what you're talking
25 about, where a small campaign contribution is

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2 obviously not a problem. It's the large campaign
3 contribution where people start to have the belief
4 that what they're buying is favor as opposed to
5 supporting a candidate.

6 COUNCILMAN CLARKE: I believe that
7 people do believe that, agree with you on that.

8 But my question is, the fact that there
9 are numerous communities throughout the City of
10 Philadelphia that are very dependent on their
11 elected official directly and contributions from
12 individuals will probably go to that elected
13 official before they will give it to some
14 nonprofit organization. I mean, that's just the
15 reality, particularly given some of the things
16 that were brought up in the past about certain
17 nonprofit organizations. And that's just the
18 point I'm trying to make.

19 MR. HAVER: I would agree with you, of
20 course.

21 COUNCILMAN CLARKE: All right.

22 Okay, thank you, Madam Chair.

23 COUNCIL PRESIDENT VERNA: You're
24 welcome.

25 Are there any other questions of this

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2 witness?
3 (No further questions.)
4 COUNCIL PRESIDENT Verna: Thank you
5 very much.
6 MR. Haver: Thank you, Council
7 President.
8 COUNCIL PRESIDENT Verna: The Chair
9 recognizes Ed Schwartz?
10 UNIDENTIFIED SPEAKER: He had to leave.
11 COUNCIL PRESIDENT Verna: Fred Voigt.
12 Did Mr. Schwartz leave a copy of his
13 testimony?
14 (Witness comes forward.)
15 MR. VOIGT: Good afternoon, Madam
16 Chairman.
17 COUNCIL PRESIDENT Verna: Good
18 afternoon.
19 MR. VOIGT: I'll be very brief. We're
20 not here to endorse, nor oppose --
21 COUNCIL PRESIDENT Verna: Just identify
22 yourself for the record, please.
23 MR. VOIGT: Fred Voigt, Executive
24 Director of the Committee of Seventy.
25 We're not here to oppose or to endorse

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2 this legislation. We agree with what underlines
3 it, which is a recognition that we have a national
4 problem. It's not simply limited to Philadelphia,
5 It's all over. It's at the presidential level,
6 the Congressional level, the senatorial level,
7 it's at the level of electing judges.

8 For example, the State of Ohio
9 attempted to impose a limit on contributions in
10 judicial campaigns, statewide campaigns quite
11 recently because it's out of control. Our
12 campaign finance system is out of control
13 everywhere.

14 The problem is, how do you solve it?
15 And some solutions yield worse results. Many of
16 the things we're talking about today, as horrible
17 and nasty political action committees, were
18 products of a reform, that which came after
19 Watergate. And if you had -- I was active at the
20 time in the organization I'm currently with, and I
21 would go to corporations who had never heard of a
22 political action committee, they didn't know what
23 one was for years after the reform created that
24 instrument. And then they woke up, as many of
25 these things do, lawyers in pinstripes figure out

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2 how to make it work for them.

3 The limitations on contributions.

4 Without any question, there is common agreement
5 that the federal limitations which were imposed
6 back then and never raised are impossible. They
7 create -- in fact, many people would argue that
8 those very limitations created the need to
9 circumvent, created creative attempts to get
10 around it. Because it's like toothpaste in a
11 tube: if it can't come out the top, it starts to
12 come out the sides.

13 And while -- and you have another
14 problem, and this is a problem that you're
15 particularly faced with, which is a question of
16 preemption. Now, I know that there are two
17 Solicitor's opinions that say that whatever you do
18 is defensible. Unfortunately, we have an election
19 code. It's an election code not for Philadelphia;
20 it's a State election code. And much like the
21 problem with the assault weapons bill, I'm afraid
22 that that preemption may preclude you from doing
23 whatever it is you want to do.

24 Now, I'm not suggesting you shouldn't
25 do it. What I'm simply saying is, do it with care

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2 and do it with some comprehension of the level
3 playing field idea.

4 Television is the most expensive means
5 of communicating. We're the forth most expensive
6 market in the country. Who uses television? Does
7 anybody in this chamber campaign on television? I
8 don't think so. I think the Mayor does, the
9 District Attorney does. Maybe cable. But I'm
10 talking about commercial networks.

11 We had the most competitive race for
12 mayor last year that we've had in 50 years. It
13 was amazing. Now, it was also the most
14 expensive. There's a trade-off there. Would
15 Marty Weinberg have been a viable candidate?
16 Would many of the candidates in the primary --
17 some of them your colleagues -- have been viable
18 candidates if they couldn't have gotten
19 jump-started? I can't answer that; I think you
20 have to answer it.

21 You're all fundamentally politicians.
22 You understand the political system, you
23 understand how it is you go to get elected. And
24 money, without any question, quote, is the
25 mother's milk of politics. You'll never able to

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2 eliminate it. What you have to try to do is
3 control it. And you also have the United States
4 Constitution as a guardian and increasingly the
5 Supreme Court's decisions defining money and
6 speech make it much, much more difficult.

7 When we look at the Congress, when the
8 McCain-Feingold bill comes up and all that federal
9 legislation is going to be debated next year, some
10 of those questions are going to get answered. And
11 I think, unfortunately, as Bill Bradley said
12 during his campaign, unless you can amend the
13 First Amendment to make a difference, a lot of
14 these things will be found to be unconstitutional.

15 Now, again, we're all imperfect. I
16 commend the people who are looking at this issue.
17 They're far wiser than I if they think they've
18 found an answer, because frankly, we haven't.

19 COUNCIL PRESIDENT VERNA: Thank you,
20 Mr. Voigt.

21 Are there any questions from members of
22 the committee?

23 The Chair recognizes Councilwoman
24 Brown.

25 COUNCILWOMAN BROWN: So in many ways,

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2 your testimony reflects those of others that come
3 before you. You support the bill with
4 qualification.

5 MR. VOIGT: No, I don't -- we don't
6 support or oppose the bill. I can't figure out
7 how you solve the qualifications.

8 Okay, the problem is that in those
9 places where -- and we have looked at this for
10 years. When we have seen people attempt to impose
11 limits -- Ohio's a classic example. Four years
12 ago, they imposed limits on contributions to
13 statewide judicial campaigns. Almost immediately,
14 there sprang up third-party organizations. So the
15 money -- what formally went to the candidates
16 directly went out to these independent
17 organizations, who are protected.

18 COUNCILWOMAN BROWN: Mm-hmm.

19 MR. VOIGT: I mean, those limits were
20 stricken ultimately as violative of the
21 Constitution.

22 I'm not saying that these limits would
23 be. They are different -- those are different
24 kinds of limits, but the point I'm making is, I
25 can't answer your question. I don't know how to

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2 solve that constitutionally, and I don't think you
3 can.

4 But that doesn't mean -- I'm not
5 suggesting that that should mean that you
6 shouldn't try to do something. It's a problem.
7 It's just a matter of your expectations for
8 solving it and leveling the playing field. I don't
9 know how you do that.

10 COUNCILWOMAN BROWN: Would you be
11 willing to be a part of a think tank, for lack of
12 a better word, of individuals who care about
13 coming up with a comprehensive bill?

14 MR. VOIGT: I would be delighted to.
15 However, I had a conversation with an old friend
16 of mine. You may recall Paul Taylor, who was a
17 reporter here at the Inquirer? And he heads that
18 foundation in Washington, the Free Media
19 Coalition. And I talk to him because I'm very
20 concerned about this issue, as is my
21 organization. And his answer is free media. And
22 my answer is, Well, that's one way to skin the
23 cat, except who's going to watch it? You know,
24 talking heads -- talking -- I just don't -- I
25 don't have an answer. And I keep raising this

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2 First Amendment problem.

3 And Paul was a longtime reporter at the
4 Inquirer, he was at the Washington Post for
5 years. And now he's doing this Free Media
6 Campaign. And I keep going, Paul, how do you
7 solve this problem and not violate the First
8 Amendment? Can you tell me how to do that? 'cause
9 I think I'm smart but I'm not that smart.

10 So I have asked these questions
11 continuously, and each time -- the Supreme Court
12 has ruled recently in the Colorado case, where the
13 party -- the question was, could the party
14 continue to use soft money? Every time they've
15 answered that question, they've gone further and
16 further, not towards allowing restrictions, but in
17 terms of the First Amendment.

18 And every time I talk to an editorial
19 board, I go, Excuse me, would you mind telling me
20 whether you favor amending the First Amendment?
21 because if we're going to have -- well, of course,
22 they say no. No editorial board will say they're
23 going to risk amending the First Amendment because
24 it is likely if you try to do that, you'd lose it.

25 COUNCILWOMAN BROWN: Final question.

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2 This is my personal opinion, and we all have one.
3 I would certainly consider you an expert, I mean,
4 someone who lives and breathes this whole notion
5 of campaigns and elections. Can you point to any
6 city in the country that passed campaign finance
7 reform that, in your best estimation, is working
8 successfully?

9 MR. VOIGT: Yeah. There are a lot of
10 them, but they are small cities.

11 COUNCILWOMAN BROWN: Right.

12 MR. VOIGT: And really what you get
13 down to -- and small contests. Or where you have
14 -- I mean, the biggest piece is where you have
15 incumbent's advantage. Okay, if you want to talk
16 about a level playing field, incumbents -- and
17 this should give comfort to all of you in this
18 room that are elected officials. Incumbents have
19 is an enormous advantage. Incumbents very rarely,
20 whether they beat the Congressional level or any
21 level, get knocked off.

22 So where do you have different kinds of
23 political dynamics, whether it's term limits you
24 have or it's something else, but where you have a
25 real competitive environment -- for example, it's

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2 worked pretty well in New York, except New York
3 has never been faced with what they're going to be
4 faced with next time the Mayor gets elected, the
5 next time Council, because there aren't going to
6 be any incumbents. They're going to have trench
7 warfare of the likes of which they've never seen
8 before.

9 When they had it in San Francisco, for
10 example, the soft money starts piling up.
11 Oakland, it worked pretty well, and then they had
12 a competitive environment, and suddenly the soft
13 money starts to stir.

14 Now, again, I'm not saying that any of
15 that is sufficient reason, whether you're
16 preempted, whether it's only a step, you shouldn't
17 do it or you shouldn't consider something, because
18 it is obvious and it is not new. I can think
19 about a famous phrase from Richardson Dilworth
20 about rewarding your friends and punishing your
21 enemies. In fact, I can think back in our
22 political history, all the way back, and I can't
23 think of a time when that kind of money, when
24 money being in politics hasn't been a driving
25 mechanism, from the founding of the nation. And

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2 there has been a continual struggle to try to come
3 to grips with it.

4 And with the advent of television, if
5 you talk about going out of control and exploding,
6 television more than anything else has done that.
7 You know, and when we talk about -- Councilman
8 Kenney and I were talking about statewide stuff
9 and the need for change, you know, when you talk
10 about -- Councilman Kenney raised 300-some-odd
11 thousand dollars.

12 COUNCILMAN KENNEY: 4.

13 MR. VOIGT: Sorry, 4. There was a
14 Common Pleas Court campaign, Common Pleas Court
15 campaign. Now, you know what they spent here.

16 In Scranton, the loser spent \$500,000.
17 The winner spent \$200,000. Now, that's absurd.

18 But why did that happen? It happened
19 because it was a TV campaign. Whoever heard of a
20 Common Pleas Court TV campaign? It was a Common
21 Pleas Court in Scranton for a seat on the Common
22 Pleas Court.

23 Television has done that, television
24 will increasingly drive the cost of campaigns.
25 Thank God none of you have to run those kinds of

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2 campaigns, because when you, when we saw in this
3 presidential campaign, both sides spent more money
4 in Philadelphia than anyplace else in the country.
5 And that's really quite amazing.

6 COUNCILWOMAN BROWN: Thank you, sir,
7 very much.

8 Thank you, Madam Chair.

9 COUNCIL PRESIDENT Verna: You're
10 welcome.

11 The Chair recognizes Councilman Clarke.
12 Mr. Voigt, Mr. Voigt.

13 MR. VOIGT: Yes, I'm sorry.

14 COUNCILMAN CLARKE: I'll be brief.

15 COUNCIL PRESIDENT Verna: I believe
16 Councilman Clarke has a question or comment.

17 COUNCILMAN CLARKE: Thank you, Madam
18 Chair.

19 I see Mr. Warren has left us.

20 You referenced Councilman Kenney's --
21 is he here? I just wanted to correct something.
22 On the money list, Councilman Kenney was first but
23 I was fifth, and I want to say a substantial
24 portion of that money was used in legal fees to
25 keep this job, so --

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2 MR. VOIGT: Well, Councilman, you are
3 well aware, I was, last week, in the Circuit Court
4 of Appeals, where that case is still being argued.

5 COUNCILMAN CLARKE: I thought I'd get
6 it on the record now.

7 Mr. Voigt, you -- you are very
8 knowledgeable about elections. Can you -- would
9 you guesstimate -- would you say that the person,
10 from a percentage standpoint, the person that wins
11 the primary 80 percent of the time wins the
12 general -- it maybe even higher in Philadelphia?

13 MR. VOIGT: Well, if you look at the
14 numbers, I mean, when the gentleman next to you
15 ran for mayor, the face of this city was very
16 different. This time out, it's 4 to 1, 4 to 1
17 Democrat. It's never been that strong. What
18 appears to have been happening over the years is
19 when we lost that 150,000 an awful lot of them
20 were Republicans. So yeah --

21 COUNCILMAN CLARKE: So in the last 20
22 years --

23 MR. VOIGT: For the last 50 years, when
24 the Charter was first adopted, when the
25 triumvirate flipped, the Republican committeemen,

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2 actually that's what happened. The Democratic
3 organizations, which did not exist at that time,
4 they went out and they got the strongest
5 Republican committeemen and they flipped them.

6 Once that process began, it was
7 virtually impossible for a Republican to win
8 citywide. There have been very few examples of
9 that -- Arlen Specter, Tom Gola, and the closest
10 yet, Sam Katz. But as to the rest, the demography
11 has changed. It is -- look at your chamber, look
12 at the number of Republicans who used to be here
13 when there were more Republicans in the City.
14 That's -- there are some still here.

15 COUNCILMAN CLARKE: Well, I'm not
16 necessarily -- and I agree with you. I'm not
17 necessarily talking about the party of the
18 individual. I'm talking about --

19 MR. VOIGT: The battle's in the
20 Democratic primary.

21 COUNCILMAN CLARKE: Yeah.

22 MR. VOIGT: Okay, that's where the
23 battle is. And while there are exceptions,
24 incumbents particularly have an advantage.

25 COUNCILMAN CLARKE: Right.

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2 MR. VOIGT: Because we're better
3 known.

4 COUNCILMAN CLARKE: So if the -- nine
5 times out of ten, if the Democratic candidate who
6 wins the primary is probably going to end up
7 winning in November.

8 MR. VOIGT: That's right.

9 COUNCILMAN CLARKE: So the real race is
10 in the primary.

11 MR. VOIGT: Yes, even for the District,
12 and for the citywide pretty much, except when you
13 get to the top, okay? And when you get to the
14 top, had Sam Katz not been able to raise the money
15 that he did, he would not have been competitive.
16 Just simply on the basis of the demographics.

17 COUNCILMAN CLARKE: That's not normal.

18 MR. VOIGT: No, it isn't.

19 COUNCILMAN CLARKE: That's not normal.

20 So what's the timeframe associated with
21 a primary when you have to file as a candidate?
22 'Cause I'm assuming that as the spending limits
23 would be on you as a candidate.

24 COUNCILMAN KENNEY: Not in this plan.

25 MR. VOIGT: No, this bill is a

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2 yearly --

3 COUNCILMAN KENNEY: It's a yearly.

4 MR. VOIGT: It's a yearly bill.

5 COUNCILMAN CLARKE: For any person out
6 there. As soon as you file as a -- you file your
7 committee to run for that office, not as an
8 incumbent.

9 MR. VOIGT: Right.

10 COUNCILMAN CLARKE: Just saying "Joe
11 Blow" on the street.

12 COUNCILMAN KENNEY: Right. You could
13 file the committee -- excuse me, Madam President,
14 I'm sorry.

15 You may file the committee, organizing
16 committee at any time. It's the petition process
17 that's timely. You can decide you want to run for
18 Council-At-Large now and file a committee, appoint
19 a chairman, appoint a treasurer, and begin the
20 process of raising money.

21 COUNCILMAN CLARKE: And you'd be
22 capped.

23 COUNCILMAN KENNEY: You'd be capped if
24 the bill passes.

25 COUNCILMAN CLARKE: I'm saying under

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2 this bill.

3 COUNCILMAN KENNEY: Per calendar year,
4 yeah.

5 COUNCILMAN CLARKE: Under this bill.

6 MR. VOIGT: And theoretically under the
7 current state of the law.

8 One of you, a member of Council who
9 chose to run for mayor, could raise money without
10 declaring it for mayor, okay?

11 COUNCILMAN CLARKE: Right.

12 MR. VOIGT: So that that would not
13 impede your legal ability to do that.

14 COUNCILMAN CLARKE: Right.

15 MR. VOIGT: That was an issue that was
16 raised against two of your colleagues, who
17 ultimately did run for mayor.

18 COUNCILMAN CLARKE: Right.

19 MR. VOIGT: And that decision -- the
20 Court of Common Pleas decided that that not
21 apply.

22 COUNCILMAN CLARKE: Right.

23 MR. VOIGT: (Unintelligible) did not
24 apply, and that Happy Fernandez and John Street.

25 COUNCILMAN CLARKE: Right. So if a

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2 State Rep or a State Senator decided that they
3 were going to run for mayor in their mind.

4 MR. VOIGT: Right.

5 COUNCILMAN CLARKE: And they didn't
6 file a committee, they didn't announce formally,
7 they didn't do any petitions. Up until the time
8 of the formal submission as a candidate, they can
9 essentially raise whatever amount of money they
10 want to raise as a State Representative.

11 MR. VOIGT: That is correct. And
12 there's no way that you can preclude them from
13 doing so.

14 COUNCILMAN CLARKE: All right. So --

15 MR. VOIGT: This bill cannot supercede
16 the limitations of State law.

17 COUNCILMAN CLARKE: So realistically, a
18 person can have it in their mind, I'm going to run
19 for this office, they can raise \$2 million, and
20 it's a short window.

21 (Unintelligible, parties talking over
22 each other.)

23 MR. VOIGT: And unlike the Charter
24 prohibitions, State Reps and State Senators don't
25 have to resign.

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2 COUNCILMAN CLARKE: Exactly. So
3 there's really only a two-month window till the
4 time that they ask you file that petition. 'Cause
5 till you file your petition and file your
6 campaign, your committee, then you're not
7 officially a candidate.

8 MR. VOIGT: If they are raising money
9 for their preexisting campaign committees.

10 COUNCILMAN CLARKE: Right.

11 MR. VOIGT: And then desire to transfer
12 it over, they can do that.

13 COUNCILMAN CLARKE: Right.

14 MR. VOIGT: And you can't prohibit
15 that.

16 COUNCILMAN CLARKE: Okay.

17 MR. VOIGT: Where it does apply is to
18 your ability to raise money and the Mayor.

19 (Unintelligible, parties talking over
20 each other.)

21 COUNCILMAN CLARKE: Unless you raise
22 \$2 million while you're a State Rep, and we're
23 capping it at a certain amount.

24 MR. VOIGT: Absolutely. And there's no
25 way that you can -- they can do that now. And you

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2 can't preclude them from doing that in future.

3 COUNCILMAN CLARKE: Right. But now, we
4 can raise as much as -- we have the ability to
5 raise more under the existing program if --

6 COUNCILMAN KENNEY: (Inaudible, off
7 mic.)

8 MR. VOIGT: Yes, you can. Yes, you
9 can.

10 COUNCILMAN CLARKE: Why not?

11 COUNCILMAN KENNEY: (Inaudible, off
12 mike.)

13 MR. VOIGT: The Court of Common Pleas
14 of Philadelphia County decided that issue. George
15 Bochetto raised it, and he lost.

16 Now, I don't -- I don't know what
17 higher -- and since it wasn't appealed, that's the
18 state of the law in Philadelphia County.

19 COUNCILMAN KENNEY: (Inaudible,
20 off-mic.)

21 MR. VOIGT: Right, and he could have
22 chosen to do that if he wanted to do.

23 COUNCILMAN KENNEY: (Inaudible,
24 off-mic.)

25 COUNCILMAN CLARKE: I'm talking about

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2 running for reelection. I'm saying running for
3 reelection not for mayor. I'm saying --

4 MR. VOIGT: Councilman, I want to tell
5 you what the law is not. I'm not disputing the
6 spirit of the law; I'm just telling you what the
7 law is.

8 COUNCILMAN KENNEY: (Inaudible,
9 off-mic.)

10 MR. VOIGT: It may not.

11 COUNCILMAN KENNEY: (Inaudible,
12 off-mic.)

13 MR. VOIGT: That's right.

14 COUNCILMAN CLARKE: All right. I just
15 wanted to get clarity. You know, hypothetically,
16 I have a very ambitious State representative who
17 decides he wants my job in 2003.

18 MR. VOIGT: Watch out.

19 COUNCILMAN CLARKE: No, don't start
20 rumors, please.

21 He could start raising money, and up
22 until two months before the 2003 primary, he can
23 raise as much as --

24 (Unintelligible, parties talking over
25 each other.)

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2 MR. VOIGT: You may still be in court
3 from the last one.

4 COUNCILMAN CLARKE: I know,
5 unfortunately. I'm laughing but I think that
6 you're right.

7 Okay, I just wanted to get some clarity
8 on that.

9 All right, thank you.

10 COUNCIL PRESIDENT VERNA: Thank you.

11 The Chair recognizes Councilman Nutter.

12 COUNCILMAN NUTTER: Thank you, Madam
13 Chair.

14 It wasn't not so much a question,
15 Mr. Voigt, and if I missed this in your testimony,
16 I apologize. There's obviously been a lot of
17 attention and discussion around this particular
18 issue and this bill.

19 I guess what I wanted to get a little
20 better understanding of is if the Committee of
21 Seventy believes that there are either pluses or
22 minuses or, you know, more minuses than pluses
23 with a particular bill, is there a -- either a
24 recommendation or a suggestion as to, one, what
25 should be done, or what could be done; and, I

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2 guess, three, any ongoing active commitment to
3 further working on this particular issue to get it
4 to a point where, whether it's in the Committee of
5 Seventy's mind or other political people or
6 average citizens, that some level of reform would
7 take place that anyone would consider legitimate.

8 MR. VOIGT: All right, Councilman
9 Nutter, I have personally been working with
10 members of my committee, who actually do make the
11 policy for the committee. I don't. And I get as
12 many different points of view as there are points
13 of view.

14 And I said to my board this past
15 Monday, I said, Well, you know, I've been invited
16 to testify, it's a an important issue, its been of
17 vitally importance to us, but will you tell me,
18 what should I say? What conclusion have we
19 reached? And the answer is, Well, we haven't,
20 other than that it's a vitally important issue.

21 Now, I would be -- I have filing
22 cabinets of materials that I've gathered from all
23 around the country.

24 COUNCILMAN NUTTER: You didn't have to
25 have a board meeting to come to that conclusion.

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2 MR. VOIGT: And I would be delighted to
3 work with any member of Council to try to figure
4 out something that works, but which also is not so
5 restrictive as to force the toothpaste to come out
6 of the sides of the tubes. Because inevitably,
7 remember what happened with the Watergate
8 reforms. These limitations have never been raised
9 since they were adopted back in the early '70s,
10 and they were never adjusted for inflation, they
11 were never adjusted for anything.

12 And gradually what happened was, people
13 began to try to find ways around it, and they did.
14 They found increasing ways around it until, in
15 this last presidential cycle, what was a freshet
16 became a flood. I mean, we spent last year -- I
17 mean, this past year -- well over a billion
18 dollars nationally. Where did that money come
19 from? And it just didn't come from your friends
20 and relatives. That money came in a whole host of
21 different ways. In fact, the 567s, that other --
22 the master stroke that they had, where they didn't
23 even have to identify where the money came from,
24 where you had those issue ads in New York State.
25 And who did it? Well, no one knew.

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2 At least there are disclosure
3 requirements that currently exist. If you were
4 going by way of -- it may be, again, if you're not
5 preempted -- if you're not preempted for this,
6 you're not preempted for other things, such as
7 putting in disclosure requirements that are more
8 stringent and rapid than the State currently has.

9 There are things that you can do, my
10 point being, there's a law of unintended
11 consequences out there. And that is, when you try
12 to do good, when you think you're doing reform,
13 what you wind up with is something that is worse
14 and something that you didn't anticipate. And
15 that's all I'm suggesting.

16 I don't have an easy answer, I don't
17 know of one. And so long as the Supreme Court
18 increasingly rules -- and there's some major cases
19 in front of the court this term, not the smallest
20 of which is the one that they're going to decide
21 today. But there are some major campaign finance
22 cases that they're going to decide this term that
23 will help guide us in terms of what the future
24 holds.

25 COUNCILMAN NUTTER: Okay. But what

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2 happens going forward on this particular issue
3 here in Philadelphia and the variety of issues?
4 Again, the good, the bad, the indifferent that
5 have been raised in the course of this process?

6 MR. VOIGT: Well, as I understand it,
7 this bill is going to get voted out of committee
8 or not out of committee. It will come to the
9 floor of Council, and at least to this bill,
10 you're going to make a decision. That's as I
11 understand it. Now, what --

12 COUNCILMAN NUTTER: I was asking more,
13 what are you guys doing?

14 MR. VOIGT: Excuse me?

15 COUNCILMAN NUTTER: What does the
16 Committee of Seventy, or any other organization,
17 anticipate doing going forward on this particular
18 issue?

19 MR. VOIGT: Well, I think what we're
20 looking towards is major decisions by the Supreme
21 Court in this term that will provide guidances to
22 what you can't do or what you can do. We're going
23 to be looking to the debate that's going to take
24 place and has been promised on the
25 McCain-Feingold. We're going to look to those

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2 events for guidance.

3 Because, quite frankly, I'm not smart
4 enough to have the answers to those questions.
5 And it's like over the last five weeks, people
6 have asked me, because of my perceived knowledge,
7 about Florida, the hanging chads, about election
8 procedures, to predict. And the one thing that I
9 have done consistently is say, We determine
10 voters' intent all the time in every election I've
11 ever seen. And it's not defined, but we kind of
12 figure it out. So that has never troubled me.
13 Apparently, it troubles the Supreme Court a lot,
14 because they have never been involved in an actual
15 election.

16 COUNCILMAN NUTTER: Okay.

17 MR. VOIGT: But the point is, if you
18 had asked me to predict -- and I didn't -- any of
19 these events, from the decisions to count or not
20 to count. All I can tell you is that at one
21 point, this city was entertaining the idea of
22 buying punch cards, and this was not too long
23 ago. And we go no, no, no, no, no, we don't want
24 to go that way. Fortunately, we're in the process
25 of getting electronic machines, which while not

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2 perfect, are legions ahead of where they are in
3 Florida.

4 That's a long way to say I don't have
5 an answer.

6 COUNCILMAN NUTTER: All right. But, I
7 mean, now you have kind of touched on a topic that
8 I have actually been somewhat involved in. I
9 mean, can't let you leave the record with whatever
10 machines we're going to get, and obviously, I was
11 not involved in that process, nor would it have
12 probably made much of a difference.

13 But you've said the machines we're
14 going to get, while not perfect. . . Does that
15 mean that there are some perfect machines that
16 we're not having access to, or are there no
17 perfect machines that exist?

18 MR. VOIGT: Every election is
19 fundamentally run by people.

20 COUNCILMAN NUTTER: Well, I understand
21 that.

22 MR. VOIGT: Okay. And as long as you
23 have people involved, you're going to have
24 mistakes. You know, one of the ironies of this
25 election in (unintelligible) County, there's an

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2 instruction that comes with a sample ballot. And
3 the instruction is, punch every page.

4 COUNCILMAN NUTTER: Right.

5 MR. VOIGT: The Gore campaign did --
6 there was a huge voter registration turnout, and
7 they actually were very successful, and what they
8 instructed their voters on the way to the polls,
9 as they were driving them to the polls was, punch
10 every page. Well, in this election, there were
11 two pages of presidential candidates. So if you
12 followed the instructions of the campaign, you
13 punched your candidate out.

14 COUNCILMAN NUTTER: Right.

15 MR. VOIGT: Now, all I'm saying to you
16 is, you know, how many campaigns have you seen
17 yourself? I mean, I just saw one where we're
18 talking about a State Rep, a State Rep. We're not
19 talking about (unintelligible) votes. A State Rep
20 who happened to be the majority leader, and that
21 ultimately came out to be a 92-vote difference.
22 Well, when we were going through that, what we
23 found was no problems with the absentees, no
24 problems with any of them. And then we got to
25 this one return sheet, where the judge had written

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2 down 10 instead of 100. So that dropped John
3 Perzel's return down.

4 COUNCILMAN NUTTER: Right.

5 MR. VOIGT: How did that happen? Did
6 somebody conspire to do that? Were they really
7 trying to do him in and steal votes from him?
8 No. It's what we call "the duh factor," okay, and
9 all this (unintelligible), it's always there, it
10 was there in this election. Where is my polling
11 place? I mean, half of these people who had
12 problems with motor voter actually had problems
13 knowing where their polling place was.

14 COUNCILMAN NUTTER: Mr. Voigt --

15 MR. VOIGT: And when you get these
16 machines --

17 COUNCILMAN NUTTER: I understand.

18 MR. VOIGT: -- you're going to have the
19 duh factor.

20 COUNCILMAN NUTTER: But you're not
21 putting on the record that there is already some
22 known problems with the machines, that's all I'm
23 asking you.

24 MR. VOIGT: No, absolutely not.

25 COUNCILMAN NUTTER: Okay.

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2 MR. VOIGT: There are problems with
3 every machine.

4 COUNCILMAN NUTTER: It's human error,
5 that's your primary point?

6 MR. VOIGT: Right.

7 COUNCILMAN NUTTER: Okay, thank you.

8 COUNCIL PRESIDENT VERNA: Thank you.

9 Any other questions from members of the
10 committee?

11 (No further questions.)

12 COUNCIL PRESIDENT VERNA: Thank you
13 very much, Mr. Voigt.

14 MR. VOIGT: Thank you.

15 COUNCIL PRESIDENT VERNA: Andrew
16 Altman? Is Andrew Altman here?

17 (Witness comes forward.)

18 COUNCIL PRESIDENT VERNA: Good
19 afternoon.

20 UNIDENTIFIED SPEAKER: Good afternoon,
21 Madam Chair. Mr. Altman had to leave, and I was
22 asked to read his testimony. I'm reading his
23 opinions on this, not my own.

24 This is -- okay. Hello, my name is
25 Andrew Altman. I am Secretary of the Board of

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2 Directors of Liberty City Lesbians and Gay
3 Democratic Club, and I'm here to testify for
4 Liberty City on behalf of the co-chairs, Mike
5 Marsco (ph.) and Denise Kulp, and Denise Kulp had
6 testified on the earlier bill back in June.

7 Liberty City, Pennsylvania's larger and
8 most active gay political organization, is
9 committed to electing candidates who are sensitive
10 to gay issues, electing qualified lesbian and gay
11 candidates, and strengthening the Democratic
12 party. Liberty City works primarily through field
13 campaign activities, including voter registration,
14 get-out-the-vote organizing, and voter education.
15 Each election cycle, the club publicizes its
16 endorsements to its members, to the media, and to
17 the general public.

18 Liberty City fully endorses Ordinance
19 505 to limit campaign contributions in City races.
20 Philadelphia is in dire need of such legislation
21 and is far behind most comparable cities. Of the
22 ten largest cities in the nation, Philadelphia is
23 one of just two that do not have any limits to the
24 level of contributions one can make. Examples of
25 other cities that have taken action include Tucson

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2 in 1985, New York City in '88, Los Angeles in '90,
3 and San Francisco in '95.

4 Liberty City sees this bill, although
5 not perfect, as an important starting point. This
6 is an important point. Liberty City does not want
7 to go this bill fail just because it does not go
8 far enough. This is the beginning. More is
9 needed but this legislation will lessen the
10 perceived image of pay-to-play in City politics.

11 Heavy financial contributors have an
12 inordinate amount of influence over the electoral
13 process. The money corrodes the actual working of
14 the municipality, its heavy influence reaches to
15 municipal contracts, employment opportunities, and
16 developing and directing legislature. If a
17 contributor is legally able to give any amount he
18 or she can afford, it does not stretch the
19 imagination that the contributor would have too
20 strong of a claim on the direction of government.

21 The last election here in Philadelphia
22 has the dubious honor of being the most expensive
23 city election in the nation's history -- over 27
24 million spent. Large contributions spanned from
25 \$10,000 to \$150,000. Wouldn't it be great if some

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2 of that 150,000 would have given to the library
3 system rather than going to buy self-serving ads
4 or to pay overpaid campaign consultants. The
5 amount of money involved tears down the confidence
6 the average citizen possesses in the City. They
7 don't believe they have an honest shot at a
8 contract or have a significant say in a piece of
9 legislation. And with the tens of millions of
10 dollars involved, can anyone say with any
11 certainty that they do?

12 In many other cities, candidates are
13 still able to get their message out adequately to
14 the voting base with the types of restrictions
15 before us today. Especially in New York City,
16 which is being closely watched, there don't seem
17 to be any problems with these restrictions in
18 promoting candidacies.

19 The need for this bill seems so
20 self-evident that it's hard to believe that there
21 are still reservations about it. Liberty City
22 urges all members of City Council to vote yes for
23 this bill.

24 Thank you very much for the opportunity
25 to testify.

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2 COUNCIL PRESIDENT VERNA: Thank you.

3 Are there any questions from members of
4 the committee?

5 (No questions.)

6 COUNCIL PRESIDENT VERNA: Thank you
7 very much for your patience.

8 Alex Meltzer.

9 (Witness comes forward.)

10 COUNCIL PRESIDENT VERNA: Good
11 afternoon.

12 MR. MELTZER: Good afternoon, Madam
13 Chair. And good afternoon to other members of
14 City Council. Thanks for giving me the
15 opportunity to be here today to talk about Bill
16 505.

17 COUNCIL PRESIDENT VERNA: We're happy
18 to have you here to testify.

19 MR. MELTZER: I live and work in the
20 City of Philadelphia and I'm also a member of the
21 State Governing Board of Common Cause
22 Pennsylvania. I'm going to read today from some
23 prepared remarks, copies of which I have made
24 available at the front desk.

25 Common Cause Pennsylvania is a

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2 nonpartisan citizens organization committed to
3 achieving open, honest, accountable, and
4 responsive government at all levels. With 1,000
5 active members in Philadelphia, and nearly 10,000
6 members statewide, Common Cause has spent more
7 than two decades working toward these goals, with
8 a network of engaged citizenry.

9 The time has come to implement real
10 campaign finance reform in Philadelphia. Last
11 year, we achieved the disgraceful reputation of
12 having conducted a mayoral race which broke the
13 national record for the most money ever spent in a
14 municipal election. You must realize that
15 accompanying this sort of achievement is the
16 perception that our City government is for sale to
17 the highest bidder. Compound this with some
18 lucrative business deals the City has recently
19 brokered, and that perception grows even stronger.

20 Bill 505, the campaign finance reform
21 legislation under consideration today, proposes a
22 good first step toward alleviating Philadelphia's
23 dire problems with outrageous electoral
24 fund-raising. Shortly, I will offer some friendly
25 amendments to this bill, which can make it even

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2 more effective.

3 Let me repeat, however, that this is
4 only a first step. Common Cause supports the far
5 more robust earlier legislature presented to City
6 Council, which would have addressed even more
7 problems by instituting voluntary spending limits
8 and providing public financing for candidates who
9 abide by them. Putting such campaign finance
10 reform measures in place will help to establish
11 Philadelphia, along with other major cities such
12 as New York and Los Angeles, as a leader in the
13 movement to establish clean and ethical municipal
14 government.

15 Common Cause urges you to consider the
16 following amendments in an effort to tighten up
17 some of the ambiguous language:

18 Number 1, definitions. In Section
19 20-801, number 1. Broaden this one language to
20 include all elected offices in the City of
21 Philadelphia, except for judicial candidates,
22 which are considered to be part of the unified
23 State judicial system.

24 Number 2, definitions. Section 20-801,
25 number 6. Add a definition for "independent

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2 expenditures." This section could reflect
3 language introduced last session in the
4 Pennsylvania Senate by Senator Conte in Senate
5 Bill 232. I have included similar language in an
6 attachment to this testimony.

7 Number 3, definitions. In section
8 20-801, number 7. Add a definition for "volunteer
9 labor" as an individual who works for or on behalf
10 of a candidate's campaign committee, but who
11 receives no compensation from any source for the
12 work he or she performs on behalf of the
13 candidate's political campaign efforts.

14 Number 4, contribution limits. Section
15 20-802, numbers 1 and 2. Political campaigns that
16 are less than citywide in nature should have lower
17 contribution limits. Under subsection 1, dealing
18 with personal contributions, we suggest limiting
19 contributions to \$250 for campaigns that are less
20 than citywide. Under subsection 2, political
21 committee contributions to races that are less
22 than citywide should have a contribution limit of
23 \$1,250.

24 Number 5, add an additional limitation
25 on total contributions by any single entity,

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2 similar to the \$25,000 limitation for all
3 federal-level races, but scaled down for a
4 municipal race. A new subsection, number 4, would
5 limit aggregate annual contributions by any
6 individual to all candidates running for office in
7 Philadelphia to \$10,000. Similarly, this section
8 should limit aggregate contributions by any
9 political committee, except for bona fide party
10 committees to all candidates running for office in
11 Philadelphia to \$50,000.

12 And lastly, add a section banning any
13 candidate committee from making contributions to
14 an independent expenditure campaign.

15 That concludes the amendments. Common
16 Cause supports Bill 505 with these amendments.

17 Though a far cry from a complete reform
18 package, these long-overdue campaign contribution
19 limits offer a solid foundation on which to build
20 a house of good government. Other cities have
21 done much more for campaign finance reform,
22 advancing their reputations as great places to
23 live and establish businesses.

24 If Philadelphia is really serious about
25 becoming a city in which public policy is

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2 developed with the high degree of integrity we
3 deserve, then it must at some point also enact
4 campaign expenditure limits and public financing
5 of campaigns. Otherwise, we will continue to fail
6 in our efforts to attract and retain a more
7 responsible and engaged citizenry, new businesses,
8 and much needed industry. Hopefully, City Council
9 will work with Common Cause to restore
10 Philadelphia's once-proud reputation and take a
11 step forward into the 21st century.

12 Thank you for allowing me to present
13 the position of Common Cause on Bill No. 505, and
14 I'd be happy to respond to any questions that
15 Council may have.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 Are there any questions of this
18 witness?

19 (No questions.)

20 MR. MELTZER: Thank you.

21 COUNCIL PRESIDENT VERNA: Our next
22 witness is Jeff Ordower from Pennsylvania ACORN.

23 (Witness comes forward.)

24 COUNCIL PRESIDENT VERNA: Hello.

25 MS. LEFAVI: Good afternoon, Council.

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2 I'm saying this -- I'm with ACORN, and Jeff had to
3 leave. So I appreciate your time.

4 Hi. My name is Betty Lefavi, and I
5 live at 2028 East Tioga Street. I am a member of
6 ACORN, a 500-member family organization of low-
7 and moderate-income residents of Philadelphia. On
8 behalf of ACORN, I am testifying in support of
9 this ordinance, setting limits on campaign
10 contributions. I have always believed that one
11 person's equaling one vote, but if wealthy
12 individuals and corporations who do not ever live
13 in the City can give as much money as they want to
14 politics, then we create a system where one dollar
15 equals one vote. We must begin to limit big money
16 in politics.

17 We want to thank Congressman --
18 Councilman Kennedy (sic) for introducing this
19 ordinance and taking a first step in taking the
20 big money out of politics. People like me want to
21 know that their votes count as much as anyone
22 else, and it doesn't matter where they live.

23 Thank you very much. Please support
24 campaign finance reform.

25 COUNCIL PRESIDENT VERNA: Thank you.

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2 MS. LEFAVI: Thank you very much.

3 COUNCIL PRESIDENT VERA: Are there any
4 questions of this witness?

5 (No questions.)

6 COUNCIL PRESIDENT VERA: Thank you
7 again for your patience.

8 MS. LEFAVI: Thank you very much.

9 Dina Mendros, Citizens for Consumer
10 Justice.

11 (Witness comes forward.)

12 MS. MENDROS: Thank you. My name is
13 Dina Mendros, and I'm here representing Citizens
14 for Consumer Justice. I'd like to thank members
15 of City Council for allowing me to speak today
16 about such an important issue. And I'd
17 particularly like to credit Councilman Kenney and
18 other members of City Council for taking the
19 initiative to address the issue of limiting
20 campaign contributions, which is a systemic
21 problem in our democracy.

22 Citizens for Consumer Justice has
23 become the State's largest consumer organization
24 and coalition working on preserving and
25 strengthening Social Security, Medicare, lowering

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2 prescription drug prices for consumers, passing a
3 strong patient's bill of rights, preserving access
4 to our civil justice system, winning
5 (unintelligible) elections, and more.

6 Working on these issues forces us to
7 regularly battle the influence of
8 special-interests dollars on the political
9 process. And the problem is getting worse, it's
10 spiraling out of control.

11 The past election cycle was the most
12 expensive in history, costing billions of
13 dollars. And as we're all aware, because
14 Philadelphia's one of the last major U.S. cities
15 without any restrictions on campaign
16 contributions, Philadelphia's latest mayoral race
17 was the most expensive in the nation to date, at a
18 cost of approximately \$27 million. If that were
19 not scandalous enough in and of itself, a large
20 portion of the individual contributions for the
21 mayoral race were over \$5,000, many over 25,000.

22 As we know, most individuals cannot
23 afford, nor should they have to afford, to spend
24 that much money to see that their candidate has a
25 fighting chance at the polls. In addition, a

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2 significant portion of the money came from sources
3 outside of the City. So not only were voices of
4 most City residents muted by those financially
5 better off, they were also muted by outsiders with
6 a financial interest in the City, those who do not
7 necessarily have the best interest of residents in
8 mind.

9 It's obvious that the system is broken,
10 and it's up to government to fix it. In other
11 parts of the country, some are taking up this
12 challenge. A small but growing number of states
13 are attempting -- and some have already succeeded
14 -- to change the laws regulating campaign
15 contributions. Voters in Maine, Arizona,
16 Massachusetts have passed clean-money proposals,
17 and the Vermont state legislature passed similar
18 laws. Each of these states has established
19 alternate financing systems and grant full public
20 financing to candidates running for state office
21 who reject special-interest contributions and
22 agree to campaign spending limits. And the
23 benefits of these laws were reaped in the last
24 election, according to a November 18th New York
25 Times article.

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2 While Citizens for Consumer Justice
3 prefers clean-money elections with full public
4 financing of elections, where candidates run their
5 campaigns entirely with money from a public fund,
6 we do support Bill 505, which sets contribution
7 limits. As we see it, this is an important first
8 step on the road to more comprehensive reform of
9 the City's campaigns finance laws. If passed,
10 this proposal would help to level the playing
11 field and give more Philadelphians equal
12 opportunity, regardless of their economic status,
13 gender, or the color of their skin.

14 I mention economics, gender and race
15 because when the vast majority of Americans stand
16 outside of the political process all together,
17 with roughly 95 percent of the adult population
18 making no political contributions, it's a
19 no-brainer to look at what's going on and see the
20 situation for what it is: money, not democracy,
21 is the name of the game.

22 I'd also like to make a response to the
23 comments by the Mayor's representative, who spoke
24 earlier. We, of course, want a more comprehensive
25 campaign finance reform bill, but we must take

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2 this first step. It seems highly hypocritical to
3 argue against this bill on the basis that it
4 doesn't go far enough. We've already seen a bill
5 which tried to do more but failed to move in this
6 Council.

7 If the Mayor really wants to show good
8 faith that he feels campaign finance reform is an
9 important issue, he should have been meeting with
10 Council for months about this coming instead of
11 coming in at this late date to stall or defeat
12 this bill. While we recognize the Mayor has many
13 issues on his plate, such as the stadiums, it is
14 these vary issues which makes campaign finance
15 reform so important.

16 Today's system of financing political
17 campaigns rewards large contributors by amplifying
18 their voice at the expense of ordinary citizens.
19 It is special-interests campaign contributions
20 that effectively determine which candidates will
21 have the resources to run serious election
22 campaigns. This leaves out good candidates
23 without money or connections to contributors.
24 Once more, under our present campaign finance
25 laws, politicians are first to spend too much time

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2 raising campaign money instead of devoting their
3 full energies to the duties of public office.

4 With this in mind, I urge you to move
5 forward in your efforts to level the playing field
6 by supporting Bill 505. And despite its
7 imperfections, we must start somewhere. I
8 strongly urge you to vote Bill 505 out of
9 committee today. And also, the Mayor should take
10 up the suggestion to let this bill move out of
11 committee, while working with Council to come up
12 with a more comprehensive campaign finance reform
13 bill.

14 A truly vibrant democracy is one in
15 which average Americans and grassroots
16 organizations are shaping public policy, not large
17 contributors and corporations.

18 Thank you.

19 COUNCIL PRESIDENT VERNA: Thank you
20 very much.

21 Any questions from members of the
22 committee?

23 (No questions.)

24 COUNCIL PRESIDENT VERNA: Thank you.

25 I believe our last witness is Kevin

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2 Murphy from the Green Party.

3 (Witness comes forward.)

4 COUNCIL PRESIDENT Verna: Good
5 afternoon.

6 MR. MURPHY: Good afternoon. Thanks
7 for having me. I'm Kevin Murphy, and I'm on the
8 Student Committee of the Greens of Philadelphia,
9 which is the local chapter of the Green Party.

10 I'm not going to bore you with stuff
11 that you've already heard. I just wanted to state
12 the position of the Green Party on this issue, or
13 actually myself representing the Greens of
14 Philadelphia. And I wanted to make a couple of
15 many comments about what I've seen here today.

16 I wasn't planning to testify today, so
17 I hope that Council overlooks my sartorial
18 shortcomings. And I would hope that Council might
19 be willing to overlook or work to address the
20 shortcomings of this bill.

21 Needless to say, the Green Party is
22 fully in favor of campaign finance reform, and
23 this bill, possibly with amendments such as those
24 suggested by Common Cause, would be a welcome
25 first step. I think the shortcomings of this bill

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2 should not be used as excuse for further
3 inactivity.

4 One thing that I've noticed from the
5 proceedings here, and from the language which
6 occurred in the bill, is that there seems to be --
7 there seems to be a lack of research done within
8 the Council on this issue, and I've noticed on
9 other issues in the past. An issue of this
10 importance really requires hundreds and hundreds
11 of hours of research before you should feel
12 yourselves capable of evaluating the subject
13 matter intelligently. So I would hope that there
14 would be some way of addressing this in the
15 future.

16 Regarding the education of the voters,
17 which was a concern raised earlier, I just thought
18 I would take this opportunity to plug public
19 access cable television, which is used in other
20 parts of the country for this purpose, public
21 educational and government cable access.

22 Finally, I wanted to address the
23 comment by Councilman Ortiz that we don't learn
24 from other cities. That's really a part of the
25 overall problem of Council doing inadequate

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2 research in order to make responsible decisions.

3 And I'm going to continue to follow, you know,

4 Council proceedings in the future, and I'd really

5 like to see what I would consider more of a

6 good-faith effort and a responsible effort to make

7 responsible decisions on behalf of the citizens of

8 Philadelphia.

9 Thank you very much.

10 COUNCIL PRESIDENT VERNA: Thank you.

11 Is there anyone else to testify on the

12 bill?

13 (No response.)

14 COUNCIL PRESIDENT VERNA: Seeing none,

15 this will conclude our public hearing.

16 - - -

17 COUNCIL PRESIDENT VERNA: We will now

18 go into our public meeting.

19 The Chair recognizes Councilman

20 Kenney.

21 COUNCILMAN KENNEY: Thank you, Madam

22 President. I appreciate all the Councilmembers'

23 attention in listening to all of the testimony

24 today. I've had numerous conversations with

25 members of Council and have listened to the

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2 testimony from the Administration.

3 While I recognize that today, as we
4 here, there are not enough votes to finally pass
5 this piece of legislation as is, I do appreciate
6 Councilmembers' support in allowing it to get out
7 of committee and on the calendar. I do believe
8 that from a position of the calendar, the
9 Administration and others will take this situation
10 seriously, will begin then the process of offering
11 amendments and ideas on how it can be improved.
12 And I also intend to speak specific input from
13 various members of Council, any member who has an
14 interest in supplying an amendment or ideas so
15 that we can have a consensus bill sometime, you
16 know, when we come back after the Christmas break
17 into the spring, and get something passed that we
18 all can live with and be proud of.

19 But I do believe that from a position
20 of it being on the calendar, it creates the
21 necessity to deal with this as opposed to simply
22 ignoring the issue into the future. So I do
23 appreciate people's support and attention.

24 And I make a motion that Bill No. 505
25 be reported off out of this committee with a

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2 favorable recommendation.

3 (Duly seconded.)

4 COUNCIL PRESIDENT VERNA: It has been
5 moved and seconded that the --

6 COUNCILMAN COHEN: Madam President?

7 COUNCIL PRESIDENT VERNA: Yes? Oh, I'm
8 sorry. Councilman Cohen.

9 COUNCILMAN COHEN: I believe it ought
10 to be possible to develop a bill that meets both
11 the Administration and the City Council's ideas on
12 campaign finance reform. I believe this bill
13 represents a distinct step forward and it ought to
14 be supported, but I hope we achieve what
15 Councilman Kenney says is a forum that can put
16 together a bill that's effective.

17 And just one word to the
18 Administration, and I'm taking the advice directly
19 from the Mayor. When he said to us in the stadium
20 deal, Don't nitpick it to death, it's not perfect,
21 the same thing has to be thought about a campaign
22 reform bill. The Administration successfully in
23 its testimony nitpicked. You can find lots of
24 flaws, but the campaign finance situation is very,
25 very serious, and I think Council intends to get

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2 something passed.

3 And I believe before the debate is
4 over, there will be votes in Council, if
5 necessary, to override a Mayor's veto, but I hope
6 that it's going to be possible to get a bill
7 passed 'cause it would be in the interest of all
8 Philadelphians.

9 Thank you, Madam President.

10 COUNCIL PRESIDENT Verna: You're
11 welcome.

12 The Chair recognizes Councilman Rizzo.

13 COUNCILMAN RIZZO: Thank you, Madam
14 Chairman.

15 I think the place to discuss this and
16 improve this bill is in committee, and I would
17 hope that that's where this bill would stay,
18 rather than try to vote it out with so many loose
19 ends.

20 Thank you, Madam Chair.

21 COUNCIL PRESIDENT Verna: Thank you.

22 The Chair recognizes Councilwoman
23 Brown.

24 COUNCILWOMAN BROWN: Thank you, Madam
25 Chair.

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2 I would like to go on record to say
3 that there's value in having others who care about
4 this issue who are outside of this committee, to
5 be invited to be a part of the discussion, and
6 I've made it exceedingly clear to my colleague
7 that I do have serious concerns, and I will
8 nitpick because I think it's okay to do. And to
9 the extent that those concerns are addressed,
10 therein lies my movement once the bill moves out
11 of committee should it move out today.

12 COUNCIL PRESIDENT Verna: Thank you.

13 The Chair recognizes Councilman
14 Clarke.

15 COUNCILMAN CLARKE: Thank you, Madam
16 Chair.

17 Madam Chair, I just want to suggest --
18 strongly suggest -- regardless of what happens to
19 this bill today, that any further dialogue
20 incorporates the State. I just have a serious
21 concern about the lack of parity as it relates to
22 the State-elected officials versus the
23 municipal-elected officials, so without any real
24 input on that level, I don't think that we're
25 going to get what we need out of this bill.

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2 Thank you.

3 COUNCIL PRESIDENT Verna: Thank you.

4 Any other comments from members of the
5 committee?

6 (Duly seconded.)

7 COUNCIL PRESIDENT Verna: It has been
8 moved and seconded that Bill No. 505 be reported
9 out of committee with a favorable recommendation.

10 All those in favor will signify by
11 saying aye.

12 Those opposed?

13 (Some Councilmembers respond "no.")

14 COUNCILMAN KENNEY: Madam Chair, I will
15 honor the Chair's discretion.

16 COUNCIL PRESIDENT Verna: I believe I
17 heard three nays. Were there more than three?

18 I think the majority --

19 COUNCILMAN KENNEY: If you believe it's
20 passed, I would accept that.

21 COUNCIL PRESIDENT Verna: I believe the
22 ayes have it, and Bill No. 505 has been reported
23 out of committee with a favorable recommendation.

24 (Applause.)

25 (Adjourned at 4:45 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Tuesday, December 12, 2000, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COUNCIL COMMITTEE OF THE WHILE
BILL NO. 000505

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter