BRENNAN CENTER FOR JUSTICE

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TRANSCRIPT

Accountability After Citizens United

Accountability After Citizens United – Charlie Kolb Lunchtime Remarks

Lunchtime Remarks: Charlie Kolb (Committee for Economic Development)

Wendy Weiser: Well thanks everyone, before we continue with our program, I just wanted to start with a few words of thanks, first to the really fabulous team at the Brennan Center who has put together this really excellent event. We've already thanked Ciara Torres-Spelliscy, but there is also Mark Ladov, Mimi Marziani, Elizabeth Kennedy, Kimberly Lubrano, Jafreen Uddin, Erik Opsal, and Jeanine Plant-Chirlin, among others. This has been a tremendous amount of work and really to a great outcome. I also wanted to give thanks to the NYU Journal of Legislation and Public Policy, which will be publishing the papers from today's event and we will keep you informed about when that will come out. And now I do have the distinct pleasure of introducing our distinguished lunchtime keynote speaker, Charlie Kolb, the President of the Committee for Economic Development. CED is an independent nonpartisan organization for business and education leaders dedicated to policy research on major economic and social issues of our time, and the implementation of its recommendations by the public and private sector. Before joining CED, Mr. Kolb served as general counsel and secretary of United Way America, and before that he was the Deputy Assistant to the President for Domestic Policy in the White House, and assistant general counsel in the Office of Management and Budget. And prior to government service, he practiced law at Covington and Burling.

CED has been a corporate leader in campaign finance reforms, including in the passage of the Bipartisan Campaign Finance Reform Act of 2002, or McCain–Feingold, which was the law it issued in *Citizens United*. CED submitted excellent briefs in both phases of the Supreme Court case, arguing eloquently that corporations stand in a "prisoners dilemma" with their competitors when corporate political spending is legal. Mr. Kolb and CED have been working to shape thoughtful policy after *Citizens United*. Recently, on April 19th, he participated in a program in Chicago that brought together corporate leaders to discuss the implications of *Citizens United*, especially in the context of judicial elections, where money in politics poses especially high risks for corrupting the process, jeopardizing basic due process rights, and undermining confidence in the courts. Mr. Kolb has been a leader in and out of Capitol Hill, in the business community, and in the courts. We are grateful that he's been able to join us today, and to help us think about how to best build accountability in the wake of *Citizens United*. Thank you so much.

Charlie Kolb: Wendy thank you very much for your introduction, your kind words. It's an honor to be here today at the Brennan Center. And I would just like to thank all of you associated with this great organization for the work that you've done over many, many years. Your work, your research, your reports are world-class. I know we use them—rely on them at the Committee for Economic Development, so I want to salute you and thank you all. I wasn't going to do this--I'm actually going to start by commenting on the last panel. I wasn't on it but I couldn't resist myself. The—where's the lady from Common Cause who—thank you, I used to be on the National Governing Board of Common Cause so I'm very pleased to see you here and also salute what the organization is doing. You asked a very important question about whether we should as a country be rethinking certain aspects of the role of corporations, and I think one of the unintended consequences of *Citizens United* and the decade or more of campaign finance reform, which CED and I have been involved in, is that for the first time you're seeing these money in politics questions actually merge with questions relating to the corporate governance and accountability, that's an unintended consequence and I suspect it's going to be with corporate America for quite a while.

I also suspect that it's something that many companies would just as soon not have to deal with, but I do want to get to the answer to your question. And I want to disagree a little bit with Chancellor Allen. I don't know if he's still here. But I thought he was a little too flip in his response that "well after all, we just have to rely on the capitol markets and the capitol markets are driving change," quite frankly the capitol markets brought us the last recession, which we are still grappling with. This has raised questions about whether capitalism needs to be saved, whether it needs to be rethought, whether it needs to be regulated in different ways. And this notion that somehow –it's the Milton Friedman notion—really it's—what he said is that "capitol markets, basically because they're short term," which by the way is another problem for this country, we are totally addicted to short-term thinking and behavior everywhere you turn. The problem with that answer is that it overlooks what Adam Smith talked about. Adam Smith talked about an invisible hand--he also talked about a helping hand. It's not just <u>The Wealth of Nations</u>; it's <u>The Theory of Moral Sentiment</u>. But let me go from philosophy to reality. There are people, responsible people, who advise major companies who have different views. Who I think share closer to what you're talking about than what Chancellor Allen said, and let me just give you two examples: the current and former global heads of McKinsey and Company, Ian Davis and Dominic Barton, have been extremely eloquent in their writings and in their advice to companies and their work around the world about looking at companies and the role they play in society and addressing a whole host of stakeholders. They are very clear. And I was with Dominic actually last week at a CED dinner here in New York. They are very clear that this is not corporate social responsibility, it is good business for the company, and I would commend to you—I believe it's an article by Dominic Barton, the lead article in the—I think it's the February or March *Harvard Business Review*, which gets into some of these issues about saving capitalism. So I think capitalism is too important to be left to the currency markets, and if someone has a different view I look forward to the question and answer. Or the question and my attempt to answer it, if someone would like to raise it.

Now a little bit about the Committee for Economic Development—we were founded in 1942 by a group of business leaders that were very concerned about the economy, what the economy would look like after World War II ended. We also, as one of our early projects, helped create the design for what later became the Marshall Plan. So we've had a history now almost of 70 years, of bringing a business voice to bear on public policy issues that touch on economic growth and development in this country and around the world. And we've been very blessed to have CEOs and other senior business leaders, university presidents, who have been on our board who think not just about quarterly earnings, but about their role as leaders and their company's roles in society. I'm very pleased also to announce--this isn't really fully public yet but I guess it will be after I've say it—that our incoming chair, co-chair of CED starting in June will be Roger Ferguson. Many of you know Roger Ferguson, his company was alluded to in the previous panel, and that's TIAA-CREF. Roger's actually someone who did save capitalism. Many of you will recall that before he came to New York on September 11th, he was the Vice Chairman of the Fed, who literally held things together because the Chairman, Alan Greenspan, was in Europe and could not be reached. So we are very, very pleased to have Roger Ferguson on our board and becoming co-chair of CED. He does worry about these issues.

Now, how did we get involved in campaign finance reform? We actually got involved in the issue in—going back to 1996. I got to CED in '97, but one of our trustees, Edmund Fitzgerald—some of you may remember the Gordon Lightfoot song "The Wreck of the Edmund Fitzgerald." It's about his father who is the CEO of Northwestern Mutual Life Insurance Company. Ed Fitzgerald—our Ed Fitzgerald on the CED board at the time was the CEO of Northern Telecom—then Nortel, and now no longer a company—but Ed was concerned about some of the activities in both the Democratic and Republican campaigns in 1996, raised the issue, we then turned to Tony Corrado—who many of you know at Colby College in Maine—and asked him to do a background paper—what would—"what are the issues, why would business be involved?" Then our board decided to get involved in this issue. One of the reasons that motivated us, quite frankly, was the fact that the whole money in politics system was giving the business community a bad image and as you know it's only gotten worse. We've had Enron. We've had WorldCom. We've had a whole series of distinguished developments in the America business community. And if you go back and look at our first report, which came out in mid-March 1999, you will see on page 1 the definitive statement where we say, "as business leaders, we want to participate in the marketplace and not in the political arena." Another way to say that is that we do not think that rent-seeking is a good way to run a capitalist economy. And when you look at the whole money in politics system as it has evolved both in the Federal campaign context, and I do want to say a few things about the judicial context, it's a form of rent-seeking.

Now—so what we've tried to do, going back to the release of our first statement in 1999, is to bring a business voice to bear on these issues. And we had absolutely superb leadership, as we still do, our first sub-committee was co-chaired by Ed Kangas, who at the time was the global head of Deloitte Touche Tohmatsu and George Rupp who then was the president of Columbia University. We had over 300 business leaders from around the country who endorsed our form recommendations, and as some of you know, we work very closely with John McCain, Russ Feingold, Chris Shays, and Marty Meehan, and played a role in—and I think actually Russ Feingold and John McCain said to me that—we didn't script them, I didn't ask them for the comment—but they said to me privately and then publicly that it was CED's entry into the debate, when we did, that helped changed the dynamic because what we were able to show is that there were responsible leaders in the business community who, frankly, didn't like the shakedown, and that's what it was. And that's what Ed Kangas—Ed and George were on just about every news program you can think of: *ABC, NBC, CBS Evening News*—I did *Inside Edition* and *Hardball with Chris Matthews*. Press—I mean I've got press clips literally a foot and a half high, and we were able to show that business—not all business leaders liked the soft money racket.

I remember doing a lot of interviews with people in the press and I said to Burt Solomon, who was then working with the *National Journal*, I said, "look Burt, you're interested in this issue, you talk with a lot of people, why don't you do one thing? Why don't you ask the people who give soft money why they do it? See if you can get someone to answer that question." Believe it or not, there was a lobbyist in Washington who answered the question – anonymously. Burt—if you go back and look at this issue, I think it's in October or November of 1999 and I'll paraphrase it. Burt asked him the question, or her, and the person said, "well we basically give the money either to buy access or to avoid a negative consequence. It could happen in the middle of the night," that's a direct quote, "we could be hosed." Now this isn't Bosnia. This isn't some country trying to emerge into a democracy. This is the United States of America. I applaud that lobbyist for his or her candor, because that's how the system works. And that's not the America that I think that most of us would want to live in. The people who are running the shakedown system work for you and me, so why do we have to give them money to avoid being hosed? And that's the message that we have tried to take—we did take in the context of what ultimately became McCain Feingold, and then after that law passed and people started to figure out loopholes like the 527s, we made an effort to try and persuade companies not to get back into the scheme.

There were companies, there were leaders like Gerald Levine, who at the time was running Time Warner, and when the merger was pending with AOL in Washington, Gerald Levine—for whom I have an enormous amount of respect—made the personal decision to take Time Warner out of soft money and it got front page coverage in the New York Times, and I can tell you there were other leaders, CEOs around the country who saw that and some of them did it more publicly, others more privately, got out of the soft money racket. In essence what we tried to do was to create an environment and give cover for business leaders not to do that. Now one of the highlights of our experience in campaign finance reform was when my friend—and I say this because I've had dinner with him, just him and his wife a couple of times, not recently—Senator Mitch McConnell was the lead opponent of the McCain-Feingold bill. And at one point in our work, I think Bruce Freed and others know this, certainly Dan Ortiz knows this, the Senator took it upon himself on the senatorial—Republican Senatorial Campaign Committee to write to some of the people on our board two letters. The first one I thought was kind of a joke--I thought had been written by a staff member, and it said, "how could you as a CEO be part of this organization which is trying to gut the Republican Party, it's associated with radical environmentalists." You know I worked for Ronald Regan and H.W. Bush and that's the first time anyone had called me sort of a radical environmentalist or trying to "gut the Republican party", so I thought, "this was written by a staff member on their letterhead and he couldn't have seen it." About two months later we got another letter, again addressed to people on the CED board and this time making a similar complaint, "how could you be part of an organization taking this view," and then it was signed in a handwritten note, "And I hope you will resign from CED." Well, when Ed Kangas let the *New York Times* editorial board in on this, and then I gave them a copy of the letter, we ended up getting—one of the letters—we ended up getting, that following Sunday, the lead editorial in the *New York Times*, called "Thuggish Tactics in Congress." I had actually, in the editorial board meeting, referred to the –I used the work "thugs" and I was quoting one of our trustees and it got picked up in the headline and then about 10 days later we got a front page center story in the *New York Times* about this issue. And I've been grateful to Mitch McConnell ever since. In fact, when I was still at United Way of America as General Counsel and working with his wife Elaine, I made a $250 campaign contribution in 1996 and I can assure you that check—that cancelled check is still in my office today. It's the best $250 I ever spent. It was a personal contribution, okay. But then, as a result of the Senator's letter, nobody resigned from the CED board, only one company stopped giving--and I'll tell you who it was it was Bell South—and their former CEO, John Clendenin had been a chairman of CED—very active. I called up the person at the company with whom I had had a relationship, and I said "let me ask you just directly, did you stop giving to CED because of our position on campaign finance reform?" and he said, " oh no absolutely not, our—the priorities of the company changed and we're more into this sort of thing, that sort of thing," and then literally 3 sentences later he said, "but you know Senator McConnell is a very important Senator to this company." According to the *Wall Street Journal*, I believe they were one of the first, if not the first company, to get back into the 527 giving. These are facts.

Now, so what we've tried to do—that's what we've tried to do on campaign finance reform. We've done Amicus briefs to support BCRA, and in the *Citizens United* and other cases. We also have a parallel effort underway—and we will, by the way, have additional things to say on issues of disclosure and transparency probably coming in late June or July—but we've had a parallel underway now for almost a decade on the issue of judicial selection reform; and in the last year we've actually merged our two sub-committees on campaign finance reform and judicial reform into one sub-committee on money and politics. It's co-chaired again by Ed Kangas, who's doing his third round of duty, and also Landon Rowland, who is the former CEO of Kansas City Southern Railroad and the Janus Mutual Funds--again, these people who have some understanding of how capital markets work. And Landon has really become—Ed Kangas was the poster boy for campaign finance reform. Landon Rowland has become the poster boy for judicial reform around the country. And we've been pleased to partner on three—at least three if not four occasions with Justice Sandra Day O'Connor.

I actually think that the judicial reform issue is worse for the country than the campaign finance reform issue for the following reason: no one really expects our elected representatives in Washington to be objective, fair-minded, thoughtful people. We hope that that's the case, but their job is to listen to their constituents and to weigh issues and—they are often described, occasionally in Washington, as partisan. But that's not—those are not words that you want to have applied to our judges. And in 39—at least 39 states around the country there are judicial races where the candidates can raise money from the people, parties, lawyers, companies, interests that appear before them. And I think that's actually worse, because if you end up having entire states—which has happened—where the judiciary is publicly recognized and described as "in the pocket of the trial bar" or "in the pocket of the defense bar." We all lose. And that type of—and you've seen the Chamber of Commerce responded, as you would expect they would do, when they saw a number of courts—judges being heavily supported by trial lawyers, they felt that they needed to get into this system as well. We went over and met with them and I remember talking with Jim Wooten who ran that part of the Chamber which raises all this money, then funnels it into judicial races. And I said, “look, Jim I understand what you’re doing, but you have to understand that where you are right now is on the precipice—or the—that’s not the right analogy—but, “right on the verge of an arms race in judicial campaigns around the country,” and that’s exactly what we have seen. So, we titled our first report on judicial reform “Justice for Hire,” and that’s exactly what you have in many states.

This—I’ll tell you this story because it comes out of the very first CED committee meeting that we had on judicial reform. We had a trial lawyer there—the chairman of that committee—the co-chair of that committee on judicial reform—the co-chairs were Rod Hills, former SEC Chair, White House Counsel Gerald Ford, and Derek Bok, former president of Harvard and Harvard Law School, and Rod calls me up one day and says, “I want you to invite a trial lawyer to be on this committee,” and I said, “Why would I do that Rod? They’re part of the problem,” and he said, “Trust me, this guy’s good, and he gets it.” So he had me call Mark Lanier, who is one of the country’s leading trial lawyers. He’s in Texas. And so I invited Mark to come to the sub-committee meeting--he subsequently became a CED trustee. But this is what he said at the first meeting. He said, “Folks I want to tell you that what we have in Texas is ‘jukebox justice.’ You put your quarter in the jukebox, you punch the little buttons and your judge will sing your tune.” That’s exactly what he said. In the fourth meeting of the sub-committee he announced that he personally had made—it’s either—I cant remember the exact number—it’s either $200,000 or $300,000 in contributions to judicial races in Texas. This is someone who understands how the system works but also wants to reform it.

So now in this country, we have perhaps what some might call ‘Democracy for Sale.’ And I think that it’s important for the Brennan Center to continue the work that it’s doing--all of us--many of us who I think are squarely on the side of disclosure—but let me say this about why I think disclosure is important: it’s important because elections in this country are public activities, probably the most important public activity that an individual can do, and that is voting. They are public activities, they are not private auctions. And so I think that any company that gets involved in these types of activities is really opening up a Pandora’s box and our advice is frankly to stay out of it. I do want to give you just an example from Chicago last week—we had a very interesting panel and we had two senior representatives from two companies that are trying to do the right things in terms of disclosure, but they were asked about PAC contributions, and they basically said, “The reason we give PAC contributions is so that we can have access to congressional staff.” Congressional staff; they’re paid for with our tax dollars. Why should anyone—it’s perfectly legal—but why should anyone have to give PAC money as a means to get a time slot with a staff member? So I asked—I asked the question, “Well what would happen if you didn’t do that?” and they kind of hemmed and hawed, and then one of our trustees—who is actually in the audience, a wonderful man Ken Dam, who teaches at the Chicago Law School and was actually Deputy Secretary of State under George Shultz in the Reagan Administration, Ken Dam stood up and said, “well you know I was a senior executive—very high up at IBM, IBM didn’t give PAC money. Didn’t have a PAC, they felt they didn’t need to.” So the point made earlier about lobbying is important. Lobbyists play a good role, they should be heard, but why do we have to pay tips to get in the door?

Very briefly, lessons learned from campaign finance reform: how did change occur then? It occurred because there was national leadership, it occurred—and that was McCain running in

2000—it occurred because there were groups like the Brennan Center, and Common Cause, and Democracy 21, and the League of Women Voters, that for 14 or 15 years had been working on these issues. And then the third factor was Enron. It took a scandal to make it clear to the American people why these issues mattered. That's the takeaway that I get from the dynamic here and how we actually got change. And I think what it will take to have change occur again. And before I close, two specific recommendations: this one is from Margaret Thatcher and this is to the foundations and other supporters of this issue. "Now is not the time to go wobbly," as she reminded the president I worked for with regard to the Persian Gulf War. We need—all of us who work in this area need the support of foundations to continue and if we are going to end up with a 'Democracy for Sale', that's not acceptable and I do think it's important for those foundations who had been generous to continue to do that and also all of us, as well as those investors, I think can play a role to continue to seek the support that we need. The second thing—and maybe the Brennan Center can help on this, I've been pushing for this for a number of years, it hasn't happened—we need more focus on the cottage industry that has grown up around campaign finance reform and money in politics. It's the same thing—it's akin to the question that I asked Burt Solomon: "Ask the people why they give soft money." Isn't it interesting that every 2-4 years-- whether you're talking about federal elections or state judicial elections –the money that comes into the system seems to double. Well inflation has been almost 0, the fed is begging people to take money, interest rates are almost at 0—so where's all this money going? It is not going into the pockets of the candidates, that's illegal. It's going into the media, the consultants, the pollsters, the people who buy and place the ads—so there has grown up around the system the same type of cottage industry that gets in the way of tax reform. Accountants love –lawyers love complexity in the tax code—it's great if you bill by the hour. The more complexity, the more the hours. I would submit that we need to do more research on the way in which the cottage industry is reinforcing the status quo, and sucking money into the system that certainly doesn't benefit the American people. And my last point is a quote from my friend Bill Moyers, who –we had run a panel together some years ago in North Carolina and I was struck when Bill said, in talking about what kind of America he looked forward to, what kind of America he wanted to live in, he said, "I look forward to living in an America where what matters most is not an individual's net worth, but an individual's civic worth." Thank you very much.

Wendy Weiser: We'll take any questions …

Charlie Kolb: Somebody want to come back at me on market capitalism?

Te Revesz: My name's Te Revsez and I'm with Citizen Action, which in New York state has been working on getting public financing of campaigns for at least the 16 years I've been in the organization.

Charlie Kolb: For Judges

Te Revesz: I have really two questions; One, in the face of the Supreme Court and some Federal courts that seem intent on striking down any sort of public—system of public financing of campaigns, how do we actually protect what we have and build on it?

Charlie Kolb: Are you talking about judicial?

Te Revesz: Yeah, I'm talking—you were talking about the problems with the judiciary—we have a judiciary now, especially with Supreme Court that has--seems to have become the enemy of public financing of campaigns and the friend of corporate dominance of the political system.

Charlie Kolb: Well, we've taken the position that certainly merits selection would be a preferred approach. There are things like the Missouri Plan, there are other approaches that have been tried. There is this view among some who have a different perspective that, "oh you're trying to take my vote away from me." They see it as anti-democratic. Well, I live in the state—in Virginia where I don't get to vote for judges because they're appointed by the Governor. And I think states like Virginia and Delaware, according to surveys I believe done by the Chamber of Commerce, are actually shown to have much more highly regarded judiciaries. So it's a tough issue and I'm not naive enough to that that you're going to get public funding immediately, but I think once again the reform is going to be driven by those three factors: we need consistent leadership—groups such as yours and Jerry Hynes here in Brooklyn has been –Jerry's a DA in Brooklyn, I believe—has been a leader in this state, and then it's going to take a scandal. You're going to – I mean we were in Chicago with Hugh Caperton of the *Caperton v. Massey* case in West Virginia, and there's a real citizen, an American, not somebody who hangs around K Street, and I had dinner with him and his wife and daughter and he's very—very compelling about the 12 year experience that he had in a case where the head of Massey Coal put $3,000,000,000 into a campaign for a judge that flipped the result in his case. And as at least the Supreme Court I think said the right thing in that case, but that's a real citizen who was hurt.

Monica Youn: I'd be interested in hearing your perspective, we've heard about kind of two categories of corporate spending today that aren't—don't follow what we normally think of as the business judgment rule. There is political spending but there's also charitable spending, and sometimes you feel like if you're trying to reform corporate political spending, then somehow corporate charitable giving gets held hostage. That they say, "Oh those two are conceptually inseparable," at least under the business judgment rule—and I'm wondering, from your perspective of business, is there a way in which one can make a principle distinction between the two categories of spending?

Charlie Kolb: Certainly there are many non-profits including my own, CED that benefit from corporate support. We are also nonpartisan, non political in everything that we do. I do think that it's –if you just follow the logic, I think the shareholders, if you believe in shareholders having a right to say how the money is being spent that would extend to charitable contributions, as well. Including corporate contributions to United Way. So that—I don't have any problem with that, personally, because I think that corporate America has been very generous to the non-profit world and I think one of the reasons goes back to the point that I made at the beginning, where I referred to Ian Davis and Dominic Barton from McKinsey & company –I guess there are a few companies that only exist in post office boxes in Delaware okay—but most companies exist in communities and having safe streets, and good schools, and hospitals, and a whole host of things that are often times—symphonies, arts that are supported by companies—are all part of the fabric of that community. And that's the point that Ian Davis made in a three page piece in *The Economist* where he and I both used the same phrase "corporate engagement." Companies don't have to do this, which is why I don't use the term "social responsibility." They don't have to do it, but the smart ones will. And so that's why I have no problem whatsoever with disclosure and accountability, and if shareholders want to say, "yes" or "no" on these contributions, that's fine.

Audience Member #1: Thanks Charlie, just wanted to return to a point you made near the beginning, which to me is a key argument not often heard in this domain and gets to the need that we see more and more of late to build bipartisan support—that is speaking about the market inefficiencies and the rent seeking that are built into our current system. The dominant narrative seems to be that for free market types, for conservatives in general, anything like treating our elections as a public good as opposed to a private commodity is anathema. But I think you've hit on a key argument and I wonder if you could expand on that a little bit and maybe on the project then of conveying that to others in your community as you've don very effectively within CED, about how our current system in many ways works against our free market principles by preferring certain actors over others and perverting markets and so on.

Charlie Kolb: Well, I've personally written on this issue. I mean I think if you just step back and look at the way our money in politics system works; it's a form of rent-seeking. Let me give you the examples that I did from our forum in Chicago last week: PAC money is used to buy access to staff. That in my view is headed down the route of rent-seeking. One example I didn't give you, which I will share—The money that enters our political system is not charitable—they're not—it's not given like a United Way contribution. I'll give you a real example from the judicial context: when we were doing our campaign finance reform work 10 years ago, I stumbled across this example, I believe it was in Florida in the 1970s, there were at least two jurisdictions that tried to deal with the way in which money was coming into judicial campaigns. And so they passed laws that said, "You can continue to give money to judges, except you have to do it anonymously," in other words the money went into a blind account. Guess what happened? Well I mean these are real examples—that's exactly right—no money—the money dried up. That's why I said to Burt Solomon, "Ask the people who give the soft money why they give it," and you'll get some very interesting questions. Ask the cottage industry, "When inflation is zero, why are there expenses doubling every year?" They are aiding and abetting and living off of the system that the politicians, by the way, say they don't like—how many Republicans and Democrats say "look I'd rather spend my time legislating rather than having to go across the street to make calls, or to pick up $5,000 checks here and $3,500 checks there." People claim they don't like the system—so why can't we fix it?

Audience Member #1: Political Science calls them "investor contributors."

Charlie Kolb: Investor contributors, that's right. Short-term investor—maybe they're investing for the long term. Any other questions? Wendy.

Wendy Weiser: I have one short question, I understand that CED has done some polling and surveys of business leaders and their views of reform. I'm interested in what the support for reform is and conversely where the opposition to reform comes from within the business community, besides the Chamber?

Charlie Kolb: Well the polling we've done has come out strongly in favor of disclosure. Also, I can't remember all the details now, we've done two or three polls on both the campaign finance issue and judicial reform, and we found very strong support for disclosure. My sense is, Wendy, that there may be a disconnect between the C-Suite and K Street, and I saw this all the time in campaign finance reform. I would talk with a CEO and they'd be in favor of all the things we were doing, and then the folks in Washington who cut the checks—you know who runs the PACs—they have a different perspective so I think you from time to time will find that type of differentiated view within companies. This marriage between money and politics and corporate governance, I think it was inevitable particularly after *Citizens United*, but most CEOs—the people I talk with, I mean they're good people. They want to run their companies, they want to do the right thing and we've tried to say to them—our whole rationale behind getting into campaign finance reform in the first place was to say, "you don't have to play this game." When Kangas went all over the country talking about shakedowns— people they got it. And some people realized, "yeah, we don't have to do this," and guess what, nothing's going to happen. The AOL-Time Warner merger went through, maybe in retrospect that wasn't such a good thing, but Gerald Levin had the courage to stand up and say, "I'm not going to do it." And nothing happened. Just like IBM doesn't have a PAC. I don't know if it does now, but Ken said—Ken Dam last week, said "No, they saw no reason to." What member of Congress wouldn't wan to know, or hear from IBM? They don't have to do it. And of course, the other thing I pointed out—we've been very active in early childhood issues, and a lot of times I point out that I think one of the reasons why we lag behind countries like France in the way we treat our young people is because 3-year-olds can't form PACs and make those types of contributions to get in to see the staff members. So are we going to have 'Democracy for Sale' in this country? I mean that's where we're headed, which is why I closed with the hope that the foundations and others who have been supportive here and will continue to do so. But I also think that people who are running companies who are smart and principled and trying to do the right things, they don't need this. They simply don't need it. And to the extent that they're getting different views from their Washington office, I would question to what extent that may be part of the cottage industry. And I really do think that those of you who are in the legal profession here, or are law professors, or political scientists, more work needs to be done on the way in which this cottage industry has grown up and evolved. Now they're not bad people—they're good people. My next door neighbor's a very prominent democratic—he's actually in the White House now—campaign advisor, and they do—they're fine people. But the question is—they're part of this whole network and I think we need a little more sunlight into how this system operates because the money keeps doubling. The president—people are talking about the Obama campaign raising a billion dollars, well I can assure you that people on the Republican side—if that's the goal they're going to try to do that as well. For what point? When you get through the end of a campaign people will tell you. "We're sick of all the inundation." Same thing is true in states that have all – some of these really outrageous ads in the judicial campaigns. So what's the point? There's got to be a better way, a simpler way, a more transparent way that meets the needs of the—of our democracy, and not the needs of the cottage industry. Thank you all very much.