

March 18, 2013 testimony of New Haven Alderman Doug Hausladen in support of:

**H.J. 3 RESOLUTION MEMORIALIZING CONGRESS TO PROPOSE AN
AMENDMENT TO THE UNITED STATES CONSTITUTION TO REVERSE
THE UNITED STATES SUPREME COURT'S DECISION
KNOWN AS CITIZENS UNITED.**

Money has always had an influence in electoral politics of the United States, and laws regarding campaign finance have been changed and modified in the past. However, a historic and monumental shift occurred on January 21, 2010. On this date The Supreme Court ruled on the *Citizens United v. Federal Election Commission* case in a manner that completely changed the way elections take place in America by lifting the ban on corporate spending in candidate elections.

This game changing decision had an unlikely source, and the ultimate decision awarded the plaintiff far more than they were seeking. It involved the right to air a documentary called "Hillary: The Movie," produced by Citizens United, a conservative nonprofit corporation, and was released during the Democratic presidential primaries in 2008.

This ruling overturned two previous decisions that put restrictions on corporate donations to candidates:

1. Austin v. Michigan Chamber of Commerce (1990)- which upheld restrictions on corporate spending to support or oppose political candidates
2. McConnell v. Federal Election Commission (2003)- which upheld the Bipartisan Campaign Reform Act of 2002 restricting campaign spending by corporations and unions.

President Barack Obama's statement that day summarized the effect of Citizen's United: "It is a major victory for big oil, Wall Street banks, health insurance companies and the other powerful interests that marshal their power every day in Washington to drown out the voices of everyday Americans..."

Soon after this historic ruling, the Federal Court of Appeals for the District of Columbia decided in *Speechnow.org v. FEC*, that contributions to groups that only make independent expenditures could not be limited. This spawned a new type of political action committee, officially known as independent-expenditure only committees, but most commonly known as Super PACs. Super PACs can raise unlimited sums from corporations, unions and other groups, as well as individuals.

Technically, Super PACs are not allowed to coordinate directly with candidates or political parties and are required to disclose their donors, just like traditional PACs. However, almost all take advantage of a technicality in the filing requirements in order to postpone disclosure until well after the elections. Also, while it is difficult to prove a direct connection to the candidate, former employees or even family members of the candidate often run 'their' Super PACs, and the donors are usually closely associated to

the candidate. Additionally, a recent FEC ruling has opened the door for the creation of Hybrid PACs or Super PACs which allows a Super PAC to also operate a regular PAC within their organization. This PAC within a PAC in turn is allowed to donate directly to candidates. Essentially acting as a money laundering operation to protect donors anonymity.

With a system to receive unlimited, virtually undisclosed donations from corporations and individuals, money has flowed in to the 2012 election cycle in a way never before seen. For example, Political expenditures for the Iowa caucus set a new all-time record, totaling over \$12 million, with an unprecedented two-thirds of this coming from Super PACs. A large proportion of these funds were spent on negative television advertisements and direct mailing against candidates. With so few people caucusing, this led to an average *"price per vote"* of about \$130.

And this was just what was spent on add buys!

Why does it matter?

In a post-Citizens United America, the average citizen no longer has a voice or influence over candidates and elected officials. To compete in this new system, Candidates must raise extraordinary sums of cash making them beholden to wealthy corporate donors both during the election cycle and once in office. There is no longer a need or even the capacity to listen to the will of the people.

Since our politicians view their corporate backers as constituents, officials are unlikely to suggest or vote for corrective legislation that would rob them of a critical campaign mechanism. Citizens United has broken the entire system threatening democracy, creating a new era where the government is indifferent to the will of the people, to benefit a handful of corporations, bankers and billionaires. This system reinforces itself, making these individuals and entities ever more powerful.

I urge your support of HR 3.