



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 25, 2011
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 359 - Termination of Public Financing of Presidential Campaigns and Party Conventions

(Rep. Cole, R-Oklahoma, and 18 cosponsors)

The Administration strongly opposes House passage of H.R. 359 because it is critical that the Nation's Presidential election public financing system be fixed rather than dismantled.

The Presidential election public financing system was enacted in the aftermath of the Watergate scandal to free the Nation's elections from the influence of corporations and other wealthy special interests. Rather than candidates having to rely on raising large sums of private money in order to run, the system provides qualifying presidential candidates with the option of accepting matching funds in the primary and a public grant in the general election. It has done so at minimal cost to taxpayers, who fund it by voluntarily choosing to direct \$3 of their Federal taxes to this beneficial system. For many years, the system worked well and attracted wide participation. In time, however, it became clear that a system introduced in the 1970s was in need of modernization and repair. Beginning in the 2000 Presidential campaign, candidates began to opt out. Since that time, promising proposals for the strengthening of the system have been made.

H.R. 359 would kill the system, not strengthen it. Its effect would be to expand the power of corporations and special interests in the Nation's elections; to force many candidates into an endless cycle of fundraising at the expense of engagement with voters on the issues; and to place a premium on access to large donor or special interest support, narrowing the field of otherwise worthy candidates. After a year in which the *Citizens United* decision rolled back a century of law to allow corporate interests to spend vast sums in the Nation's elections and to do so without disclosing the true interests behind them, this is not the time to further empower the special interests or to obstruct the work of reform.

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