



New York City Campaign Finance Board

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New York City Campaign Finance Board Hearing on Proposed Rules for Disclosure of Independent Expenditures October 27, 2011

Opening Statement of Father Joseph P. Parkes, S.J., Chairman

Welcome to those who have joined us today for this public hearing of the New York City Campaign Finance Board on our proposed rules for the disclosure of independent expenditures in City elections.

We are here today largely because of the sea change generated by the U.S. Supreme Court's decision in *Citizens United*, which allows corporations, unions, trade groups, or wealthy individuals to spend freely to influence elections. While direct contributions to candidates may still be limited, the court ruled last year that those acting independently to support or oppose those candidates may face no limits on their activities.

At the federal level, the removal of those constraints unleashed a tidal wave of ads and mailings upon the 2010 midterm elections, funded by unlimited contributions from undisclosed sources. To ensure that scenario will not be repeated in New York City, last November voters approved an amendment to the City Charter that requires public disclosure of independent spending in future City elections. It is our responsibility to administer this requirement.

Since the passage of the Charter amendment, the Board has engaged in an unprecedented effort to solicit public input on this very important and difficult issue. In doing so, we've heard comments from a broad variety of actors in the political life of New York City.

Our first public hearing on the issue in March was well-attended. Testimony from that hearing, along with subsequent comments received by the Board, has helped shape our approach towards drafting the rules that will enable us to administer the disclosure required by the Charter.

From that initial round of comment, we prepared a draft. The proposed rules issued by the Board were printed in the City Record on September 26, 2011. Since then, we have continued to hear from interested parties. Based on what we've heard, it's clear to us that our work is not done.

There are several considerations among which the Board is seeking a proper balance. The regulations should not be so broadly or blindly imposed that they discourage organizations or individuals from participating in the political process as advocates for a cause or issue.

But in order to provide voters with meaningful information, the rules governing disclosure must be written to reflect the way politics is practiced in New York City. A requirement that is too narrowly defined may allow protection for wealthy interests seeking to avoid scrutiny for their political activities, leaving voters in the dark.

The voters have told us that organizations that are spending money to influence City elections should conduct their business in the light of day, and our ultimate responsibility is to them. The Charter mandate should enable New Yorkers to vote in future elections armed with a complete view of money that is raised and spent that can influence City elections.

As our work continues, I'm pleased to say that our public rulemaking process has been working as we intended. We have had a robust public discussion on this issue. We've heard many constructive comments about our approach, and I expect we will hear many more today.

If you've joined us today—here in person, or through our live video stream on the Internet—thank you for participating in this conversation. If you have signed up to testify, you will be called in order. If you haven't signed up but you wish to testify, please see Bonny Tsang of our staff, who will add you to the list. This hearing is being transcribed, and will be made part of the public record for this rulemaking. If you would like to submit written comments with your testimony, please submit them before close of business today.