NATIONAL VOTING RIGHTS INSTITUTE

27 School Street, Ste. 500
Boston, MA 02108
(617) 624-3900
(617) 624-3911 (fax)
http://www.nvri.org

NEWS RELEASE

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CONTACT: Brenda Wright, NVRI, 617 624 3900 ext. 13
Paul Burns, VPIRG, 802 223 4095, ext. 4095
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FEDERAL APPEALS COURT LETS STAND A LANDMARK RULING THAT CAMPAIGN SPENDING LIMITS MAY BE CONSTITUTIONAL

RULING SETS STAGE TO REVISIT SUPREME COURT'S 1976 DECISION IN *BUCKLEY v VALEO*

REFORM ADVOCATES HAIL RULING AS A "MAJOR STEP FORWARD FOR DEMOCRACY"

NEW YORK, NY – A federal appeals court in Manhattan on Friday declined to convene a full-court review of a landmark ruling stating that Vermont's mandatory campaign spending limits may be permissible under the United States Constitution. The initial appellate ruling, issued August 18, 2004 by a panel of the appellate court, revisited a 1976 Supreme Court decision on the issue, setting the stage for dramatic changes in the financing of elections nationwide.

Plaintiffs challenging the mandatory spending limits had asked the full U.S. Court of Appeals for the Second Circuit to grant rehearing *en banc*, arguing that the Supreme Court's 1976 ruling in *Buckley v. Valeo* forecloses the possibility that spending limits can be upheld under the First Amendment. The full court's action on Friday allows the August 18th panel decision to stand.

The Second Circuit's August decision vacated a district court ruling that had struck down Vermont's limits on campaign spending. The appeals court found that Vermont had established two compelling governmental interests justifying its campaign spending limits: "preventing the reality and appearance of corruption and protecting the time of candidates and elected officials." It also ruled, however, that the case should go back to the district court to address the question of "whether there are less restrictive means" for Vermont to achieve these goals.

"This ruling is a major step forward in the effort to defend spending limits," said Brenda Wright, managing attorney for the National Voting Rights Institute and lead counsel for a coalition of Vermont voters, candidates and public interest groups helping to defend the

law. Paul Burns, Executive Director of the Vermont Public Interest Group, a primary proponent of the law, said "The endless chase for dollars turns our political campaigns into auctions and threatens the integrity of Vermont's elections. We welcome the court's ruling allowing us to demonstrate why limits are necessary to protect our democracy."

The plaintiffs who lost their bid for *en banc* review – including the Vermont Right to Life Committee, the Vermont Republican State Committee, and a group of candidates and voters – now must decide whether to seek Supreme Court review of the August 18 panel decision, or return to the district court for further proceedings to examine the details of Vermont's spending limits. The Second Circuit's ruling conflicts with a ruling last year by an appellate panel in Denver that struck down mandatory campaign spending limits in Albuquerque, New Mexico. Wright commented, "We are confident that further review, either by the U.S. Supreme Court or before the district court, will confirm the constitutionality of Vermont's campaign spending limits."

In the August 18th decision that was addressed in Friday's order, the Second Circuit stated: "Fundamentally, Vermont has shown that, without expenditure limits, its elected officials have been forced to provide privileged access to contributors *in exchange for* campaign money. Vermont's interest in ending this state of affairs is compelling: the basic democratic requirements of accessibility, and thus accountability, are imperiled when the time of public officials is dominated by those who pay for such access with campaign contributions."

The National Voting Rights Institute joined the Vermont Attorney General's office in defending Vermont's campaign spending limits. The Institute, along with Vermont attorney Peter Welch, represents the coalition of Vermont voters, candidates, and public interest organizations who support the limits, as well as the other provisions of the state's campaign finance reform law.

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