

HOLTZMAN VOGEL PLLC
Attorneys at Law

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2008 JUN 20 A 11: 34

98 Alexandria Pike
Suite 53
Warrenton, VA 20186
p/540-341-8808
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June 19, 2008

Jeff S. Jordan
Supervisory Attorney
Complaints Examination and
Legal Administration
Federal Election Commission
999 E Street, NW
Washington, DC 22210

RE: MUR 5988

Dear Mr. Jordan:

The American Future Fund ("AFF") is pleased to provide the enclosed response to your inquiry designated MUR 5988.

The response was originally due on May 15, 2008, but AFF was granted an extension until June 16, 2008. On June 13, 2008, counsel made several attempts to reach you and Alva DeJarnett-Miller to discuss the possibility of a one week extension to file, on account of massive flooding and evacuations occurring in Des Moines, Iowa, where AFF is based. We were unable to reach you on June 13, or again on June 16, and therefore sent a letter requesting a one week extension.

We apologize for the delay in our response. Due to flooding, our client was unable to review and provide final approval of the response until late yesterday.

Please do not hesitate to contact our office if you have any questions.

Sincerely,



Jason Torchinsky
Counsel for American Future Fund

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RE: MUR 5988

Dear Mr. Jordan:

The American Future Fund, a 501(c)(4) social welfare organization organized as a non-profit corporation under the laws of Iowa, ("AFF") received the complaint designated as MUR 5988 on May 2, 2008. It requested and was granted a 30 day extension and hereby provides this response on behalf of AFF and its President, Nicole Schlinger.

As an initial matter, the complaint engages in circular reasoning. First it makes unsubstantiated attacks by calling AFF a "shadowy group" when it has operated within the law. American Future Fund was formed in July of 2007, and submitted its Form 1024 application for recognition of its 501(c)(4) status with the Internal Revenue Service on March 18, 2008.

Second, the complaint claims that American Future Fund violates FEC rules by running an advertisement it avers is an independent expenditure rather than issue advocacy. Every other allegation in the complaint begins by taking as an assumption that the advertisement in question is express advocacy and therefore it must have a disclaimer, must be reported, its funding sources must be disclosed, and that as a result AFF is a political committee.

In light of the First Amendment right to engage in grassroots issue advocacy firmly established in the wake of *Federal Election Commission v. Wisconsin Right to Life*, 127 S. Ct. 2652 (2007) ("*WRTL II*"), it becomes clear that the allegations contained in this complaint are totally baseless. The complaint stands upon a faulty premise which

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can not survive the guidance of the United States Supreme Court.¹ This complaint should be speedily dispatched lest it invite an avalanche of similar complaints each time an organization exercises constitutionally guaranteed rights to petition the government.

American Future Fund is pleased to provide the Commission with the analysis below demonstrating why this advertisement is a genuine issue advertisement. As a result, the FEC has no constitutional basis to assert any jurisdiction over this advertisement or the American Future Fund.

A. American Future Fund's Advertising Is Not an Independent Expenditure.

The Ad Does Not Meet the Definition of "Express Advocacy"

Under the FECA and its implementing regulations, an ad must contain express advocacy to be considered an independent expenditure. *See*, 2 U.S.C. §431(17); 11 C.F.R. §100.16. The American Future Fund contains no express advocacy, either under the standard laid out by *WRTL II* (discussed *infra*) or under the definition of "express advocacy" contained in Commission regulations.

Express advocacy is defined by Commission regulations as communications that "[w]hen taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate..." 11 C.F.R. §100.22

This advertisement does not satisfy the standard for "express advocacy" set out by the Commission in 11 C.F.R. §100.22. As an initial matter, the text of the script does not meet this standard. There is no reference to an election, it contains no electoral position and encourages no electoral action. The FEC considered a comparable advertisement in MURs 5779 and 5805 and there concluded that "thank you" language did not constitute an electioneering communication.² The advertisement at issue in this

¹ Chief Justice Roberts wrote in *WRTL II*: "An expert for the FEC in these cases relied on [...] observations to argue that WRTL's ads are especially effective electioneering ads because they are "subtl[e]," focusing on issues rather than simply exhorting the electorate to vote against Senator Feingold. Rephrased a bit, the argument perversely maintains that the *less* an issue ad resembles express advocacy, the more likely it is to be the functional equivalent of express advocacy. This "heads I win, tails you lose" approach cannot be correct. It would effectively eliminate *First Amendment* protection for genuine issue ads, contrary to our conclusion in *WRTL I* that as-applied challenges to §203 are available, and our assumption in *McConnell* [v. FEC 540 US 93(2003)] that "the interests that justify the regulation of campaign speech might not apply to the regulation of genuine issue ads." Under appellants' view, there can be no such thing as a genuine issue ad during the blackout period—it is simply a very effective electioneering ad. *WRTL II*, 127 S. Ct. at 2667-2668. (Internal citations omitted). (Emphasis in original)

² Previously, the Supreme Court decided that the standard contained in 11 C.F.R. §100.22(b) was been met where a newsletter that set out the positions of the candidates and highlighted and identified candidates whose pro-life views were consistent with the organizations, and urged voters to "vote pro-life" provided "in effect an explicit directive" to vote for the candidates favored by the organization, and therefore, contained express advocacy. *FEC v. Massachusetts Citizens for Life*, 479 U.S. 238 (1986) ("*MCFL*"). Additionally, in *FEC v. Christian Coalition*, 52 F. Supp 45 (D.DC 1999) ("*Christian Coalition*"), the

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case is analogous to that of the City of Santa Clarita MUR (MURs 5779/5805) because the language of the advertisement resembles that of the banner at issue in Santa Clarita ("Thank you Buck for H.R. 5471! – No Mega Mining in Soledad Canyon"). See Federal Election Commission Factual and Legal Analysis, City of Santa Clarita, MURs 5779/5805.

Furthermore, the primary election, at the time the ad began airing, was more than five months away. The Commission, in the Explanation and Justification for its regulations on coordinated communications, discussed the timing of ads aired by candidates and their committees, and stated that ads aired outside the 90 day time period preceding House and Senate elections "provide an empirical basis for predicting when advertising that has the purpose of influencing a Federal election occurs." Explanation and Justification: Coordination Communications, 71 F.R. 33193-94 (June 8, 2006) (amending 11 C.F.R 109.21).

The Commission's own research demonstrated that approximately 91% of ads by candidates were aired in the 60 days before a primary election. Therefore, the Commission determined that ads airing more than 60 days from the primary election "are of little value to the candidate" and if aired other than in the 90 days before an election "likely relates to purposes other than 'influencing' a federal election." See, 71 F.R. 33193-95; 96-97. The advertisement subject to this complaint began airing on March 19, 2008. The primary election is not until August 9, 2008, a full 174 days after American Future Fund began airing the advertisement at issue. Under this standard, there can be no doubt that the ad was aired for "purposes other than influencing a federal election."

As a result of this complaint, AFF became aware that Senator Coleman filed a Declaration of Candidacy for the 2008 election immediately upon taking office in 2003. However, he had not publicly announced his intention to seek re-election or began campaigning for re-election until March 26, 2008, seven days after this advertisement first aired. See attached.

The Ad Is a Genuine Issue Ad as Defined by Wisconsin Right to Life

Under the standard laid out by the Supreme Court in *WRTL II*, and the definitions of independent expenditure and express advocacy contained in Commission regulations, this ad is clearly a genuine issue ad, and therefore not an independent expenditure. While *WRTL II* did not specifically address whether an advertisement is an "independent expenditure," it logically follows that an advertisement that meets *WRTL II*'s standard for "true grassroots issue advocacy" is clearly not an independent expenditure.³

District Court held that a mailing identifying a candidate as a "Christian Coalition 100 percenter" and encouraged the reader to take a Congressional scorecard prepared by the organization "to the voting booth" in effect explicitly told the reader to vote for the candidate, and therefore constituted express advocacy. The instant case is distinguished from *MCFL* and *Christian Coalition* cases because the advertisement at issue here contains no reference, either implicitly or explicitly, to the election and does not contain a directive to take an electoral action.

³ If a "true grassroots issue ad" was "express advocacy," such an expenditure by a corporation or labor organization would be prohibited.

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This advertisement is a genuine issue ad subject to reasonable interpretation other than to vote for or against a clearly identified candidate. The Supreme Court stated that a genuine issue ad is one that (1) focuses on a legislative issue; (2) takes a position on the issue and exhorts the public to adopt that position; (3) urges the public to contact their public officials with respect to the matter; and (4) lacks indicia of express advocacy. See, *WRTL II* at 2667.

Focuses on a legislative issue

The subject advertisement is a genuine issue ad. It focuses on four important legislative issues for the people of Minnesota. Specific legislative issues mentioned in the ad follow.

1. **35W Bridge Collapse-** Senator Coleman worked with the rest of the Minnesota delegation to secure funding for rebuilding the bridge (see attached article). In addition, Senator Coleman is continuing to work on this issue as an advocate for infrastructure funding and leading an investigation into the bridge inspection and rating process through the Permanent Subcommittee on Investigations.
2. **Making College More Affordable-** Senator Coleman, as early as 2005, has been an advocate for increases in the Pell Grants, which make college affordable for many deserving students. (See attached materials). At the time the ad was produced and aired, the Senate was considering the College Opportunity and Affordability Act of 2008 which included provisions to make college more affordable. See, H.R. 4137, Referred to Senate Committee on Health, Education, Labor and Pensions on February 25, 2008.
3. **Opportunities for Soldiers and National Guard-** Senator Coleman, in late 2007, led an effort to bolster healthcare, education and reintegration opportunities for military and National Guard members. American Future Fund supports continued funding of those programs as part of the 2009 Defense appropriations bill.
4. **Crack Down on Predatory Lenders-** The credit crisis is an important issue facing many citizens. Senator Coleman has, in the past, pushed for reforms in this area, and continues to do so as the crisis worsens. (See attached material).

Takes a position on the issue and exhorts the public to adopt that position

This ad implicitly takes a position on the issues involved. It asks the public to adopt that position by calling Senator Coleman and "thanking" him for it. *Wisconsin Right to Life* does not require that an issue ad explicitly say that an issue is bad, or an

issue is good, but rather that the ad takes a position. It is clear from the text and the context that this ad is supporting the issues addressed in the ad. Further, by asking the public to "thank" Senator Coleman, the ad is asking the public to adopt a similarly favorable position and call on Senator Coleman to continue taking the positions he has been taking. This is in an effort to convince Senator Coleman not to waiver in his policy positions.

Urges the public to contact their public officials with respect to the matter

This ad encourages the public to contact Senator Coleman, and provides his Senate district office phone number, not a campaign office phone number. The text of the script says "Call Senator Norm Coleman and thank him for his agenda for Minnesota." By saying "agenda for Minnesota," the ad is encompassing all of the legislative issues mentioned in the ad. Further, an issue ad cannot be invalid simply because it encourages a public official to continue their position on issues, rather than encouraging them to change their position. In *WRTL II*, the Supreme Court simply said that a characteristic of a true grassroots issue advertisement was one that "take[s] a position on a legislative issue and exhort[s] the public to adopt that position and to contact public officials with respect to the matter." *WRTL II* at 2666.

Lacks indicia of express advocacy

The advertisement does not contain the indicia of express advocacy. It does not contain the words "vote for", "support", "elect", or any similar words. Nor does the ad comment on his fitness for office. *WRTL II* requires that the ad be subject to no other reasonable interpretation other than to vote for or against the candidate in the context of determining whether an ad is a grassroots issue ad, and the same guidance logically applies to determine if an ad "expressly advocates" a candidate's election or defeat. The statement "An independent voice for Minnesota" is an exhortation to continue pursuing a legislative agenda that AFF believes to be in the best interests of Minnesota rather than a comment on his fitness for re-election.

The advertisement mentions both Senator Klobuchar and Senator Coleman, and indicates that Senator Coleman works with elected officials from both parties to get things done for the people of Minnesota. American Future Fund has a track record of urging bipartisanship – such as its recent Roll Call advertisement urging adoption of the bi-partisan FISA renewal bill. See attached. This reference is not campaign rhetoric and is not express advocacy. Rather, it expresses the belief that bipartisanship is beneficial in the effort to achieve the legislative agenda AFF supports and believes is good for Minnesota.

For all of the above reasons, the advertising subject to this inquiry is not an independent expenditure.

B. American Future Fund is not required to file with the Commission.

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Complainant alleges that American Future Fund is required to file with the Federal Election Commission by virtue of being a political committee. A group is only required to register with the Commission if it makes expenditures in excess of \$1,000 or receives contributions in excess of \$1,000 for the purpose of influencing a federal election. American Future Fund was not formed and is not operated for the purpose of influencing federal elections and any contributions received by the group have not been for that purpose. In fact, the American Future Fund is a 501(c)(4) social welfare organization that was organized to provide Americans with a conservative and free market viewpoint a mechanism to communicate and advocate on the issues that most interest and concern them. Furthermore, the group's spending has been for genuine issue ads and grassroots advocacy, as discussed above, and therefore not for the purpose of influencing federal elections.

American Future Fund is engaged in numerous other activities and spending, all of which support the conclusion that the group is not organized for the purpose of influencing elections. AFF has an active and growing website which advocates for the passage of legislation and educates the public on conservative and free market issues. Legislation currently addressed by the organization include the FISA modernization bill (S.1927), the U.S. - Colombian Trade Promotion Agreement (H.R.5724) and a bill to address soaring gas prices in a fiscally responsible and free-market manner (H.Res.1135).

American Future Fund is actively supporting the FISA modernization bill, consistent with its tax-exempt purpose. The organization has recently released polling showing support for passage of the bill and launched an on-line petition calling on the House and Senate to pass the bill. In addition, AFF ran an ad in the *Roll Call* newspaper in April calling for passage of the bipartisan FISA legislation. See attached.

For these reasons, American Future Fund is not a federal political committee.

C. American Future Fund is not Required to File Independent Expenditure Reports

As discussed above, American Future Fund did not air an independent expenditure. As a result, no independent expenditure report was required.

D. Television Advertisement was not Required to have a Disclaimer

Certain political advertising is required to contain specific disclaimers. However, disclaimer requirements only apply to public communications made by political committees, public communications by any person that contain express advocacy, public communications that solicit a contribution, and all electioneering communications. See, 11 C.F.R. 110.11 (a). As discussed above, American Future Fund is not a political committee, and therefore is not required to provide a disclaimer on all of their materials. Nor does this advertisement does not contain express advocacy (see Sections A and B above). Further, this advertisement neither solicits a contributions nor falls within the electioneering communications window.

The advertisement subject to this complaint does not fall into any of the categories of communications requiring an FECA required disclaimer; therefore, it is not required to contain these disclaimers.

E. Conclusion

For the foregoing reasons, American Future Fund and its President, Nicole Schlinger respectfully request that the Commission expeditiously dismiss the complaint and take no further action in this matter.

Please do not hesitate to contact me at 540-341-8808 (telephone) or 540-341-8809 (fax) with questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Torchinsky', with a long horizontal flourish extending to the right.

**Jason Torchinsky
Counsel for American Future Fund**

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Coleman prepares to announce Senate reelection bid

Mar 26 2008 6:04AM
Associated Press

Coleman prepares to announce Senate re-election bid

ST. PAUL (AP) U.S. Senator Norm Coleman officially launches his re-election bid with a rally at his campaign offices in St.

Paul today.

Coleman, a former Democrat turned Republican, edged former Vice President Walter Mondale to win his seat in the Senate six years ago. Mondale was the Democrats' last-minute replacement after incumbent Paul Wellstone was killed in a plane crash.

This time, Coleman is trying to turn the spotlight back on Democrat Al Franken, the former "Saturday Night Live" comedian and radio host.

Franken is heavily favored to be the Democratic nominee. Coleman has criticized some of the more outrageous or profane things Franken has said or written in years of comedy routines and liberal commentary.

Franken defends his previous work as that of a satirist.

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0559CDT

August 3, 2007

Minnesotans Press Emergency Relief Package After Bridge Collapse

By CQ Staff, CONGRESSIONAL QUARTERLY

By Libby George and Rebecca Kimitch, CQ Staff

Congress was poised to clear legislation before the August recess to provide emergency money to Minnesota following the I-35 bridge collapse in Minneapolis.

The state's congressional delegation was pressing leadership in both chambers to fast-track the bill (HR 3311), which would authorize the government to give the state as much as \$250 million to reconstruct the bridge and relieve congestion until it is rebuilt.

Leading the effort were Democrat James L. Oberstar — the chairman of the Transportation and Infrastructure Committee — and Sens. Norm Coleman, a Republican, and Amy Klobuchar, a Democrat.

"We've got a short construction season in Minnesota," Coleman said. "We've got to get this done."

Oberstar's panel approved the bill early Thursday afternoon, and House Speaker Nancy Pelosi, D-Calif., agreed to bring it up for a voice vote late Thursday or Friday.

Senate Majority Leader **Harry Reid**, D-Nev., said he would "seek consent to move to this legislation when it arrives on the Senate side."

Although Congress was prepared to act with unusual speed on the bill, the money, which would come as a reimbursement, could take longer to arrive in Minnesota.

According to aides, funding would come from an emergency relief program created under the 2005 surface transportation law (PL 109-59). There is a \$100 million cap on the amount any one state can get in a year. The bill would raise it to \$250 million.

Oberstar said there is a backlog of requests for money from the fund as a result of repairs to the San Francisco-Oakland Bay Bridge, which was damaged in April by an oil tanker, and other emergency requests. As a result, appropriators will need to act.

"This will pave the way so we can seek the funds," Klobuchar said, adding that the span of highway will take one to two years to rebuild.

The sum will probably pale in comparison with the Aug. 1 disaster's final price tag.

"I think it will cost more than \$250 million to repair that bridge," Oberstar said. "We have to start somewhere."

The Minneapolis/St. Paul area is in a unique position to ask for money. Republicans are slated to hold their 2008 convention in the Twin Cities — an area without a well-developed public transit system — and both parties have heavily courted voters in the swing state. In the background is the botched federal response to other disasters.

"I think we learned some lessons from Katrina," Klobuchar said. "I think [it] was a mirror on national leaders. And this was handled differently."

Bush Visits Saturday

The administration is on high alert. President Bush will visit Minnesota on Saturday, and Transportation Secretary **Mary Peters** has pledged \$5 million in federal funds to help with immediate recovery efforts. Peterson also called on all states to immediately inspect all bridges similar to the collapsed I-35 span.

"Even though we don't know what caused this collapse, we want states to immediately and thoroughly examine all similar spans out of an abundance of caution," Peters said in a statement.

According to Federal Highway Administration data, there are 756 similar bridges in the country; the Minneapolis bridge was 40 years old.

Oberstar said the Minnesota collapse is also "a wake-up call" that should push the administration to support more highway funding.

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"This administration failed to support a robust investment in surface transportation," Oberstar said. The next transportation bill, he said, will include an increase in fees for those using American highways. "We're not going to have a bargain-basement highway fund," he said.

In the days before the I-35 collapse, there were some bizarrely prescient events on Capitol Hill.

Coleman and Christopher J. Dodd, D-Conn., the chairman of the Senate Banking, Housing and Urban Affairs Committee, both pushed bills to address longer-term nationwide infrastructure needs.

Standing in front of large posters featuring buckled roadways and collapsed bridges, Dodd announced a bill with Sen. Chuck Hagel, R-Neb., just hours before Minneapolis' disaster to create a "national infrastructure bank" to leverage federal dollars for large-scale improvements to highways, bridges and water systems.

"By investing today, we can minimize our costs down the road," Dodd said Aug. 1.

And on July 31, the Senate Environment and Public Works panel approved a Coleman-sponsored bill (S 775) that would establish a commission to study the state of U.S. infrastructure and report to Congress on what needs to be repaired or replaced.

The Senate passed the Coleman infrastructure bill by voice vote Thursday night.

Senator Norm Coleman website:

I-35W BRIDGE TRAGEDY: A NATIONAL MODEL OF EMERGENCY RESPONSE The 35W bridge collapse was many things: shocking, alarming and tragic for so many families. Yet, at a time when tragedy struck our state, the bridge collapse has also become something else: a defining moment for Minnesotans who came together and became a national model for responding to an emergency. The great people of our state – from first responders on the scene to everyday citizens who ran to the bridge to do whatever they could to help – have proven that, regardless of our backgrounds, we all come together when it matters most.

We have truly become a model for emergency response – in both preparation and execution. The importance of training and planning for a situation like this cannot be overstated, and thanks to the amazing response to this tragedy at every level – individual, local, state and federal – we have prevented this tragedy from becoming a crisis. As one community leader looking back on this remarkable effort recently pointed out, a crisis is a tragedy where you don't know what to do. Clearly, we knew what to do.

In Congress, the spirit of unity that Minnesotans demonstrated following the collapse has been shared by myself, Senator Klobuchar, Congressman Oberstar and the entire Minnesota delegation, which has already allowed us to accomplish some great things.

Just a few days after the bridge collapsed, for example, we were able to secure authorization in Congress for \$250 million in federal funding to reconstruct the bridge, along with an additional \$5 million in transit funding to assist with immediate traffic needs.

Getting this authorization through Congress and signed by the President in a matter of days is almost unheard of and is a testament to the joint efforts on both sides of the aisle. And the Department of Transportation has made \$50 million of the \$250 million immediately available to Minnesota.

But we need to keep the momentum to rebuild moving forward. To that end, Senator Klobuchar and I recently secured passage of an amendment to appropriate the remaining \$195 million of the \$250 million authorized by the Senate to rebuild the bridge in the 2008 Transportation and Housing and Urban Development Appropriations Bill, which is now awaiting final approval in conference committee. In that same bill, Senator Klobuchar and I were successful in including \$65 million to get the Northstar Commuter Rail project up and running as soon as possible, which would help ease traffic congestion for thousands of commuters in the north metro area. A \$133 million Urban Partnership federal grant we had urgently requested was recently awarded to Minneapolis to improve traffic congestion.

Additionally, we must take the necessary steps to ensure this type of tragedy doesn't happen anywhere else by immediately addressing the deteriorating state of our national infrastructure. Even before tragedy struck, I had joined Senators Carper (D-DE) and Voinovich (R-OH) in authoring legislation to create a National Infrastructure Commission to evaluate both the status of our national infrastructure and the best way to effectively address the needs we have. The Senate passed our bill and now we need the House to act.

My Permanent Subcommittee on Investigations is also looking into the bridge inspection and bridge rating process, which obviously failed to detect that this bridge was on the verge of collapse. In addition, I have asked the Government Accountability Office to immediately begin a comprehensive review of the adequacy of current bridge funding mechanisms.

If we can maintain the unity we have thus far, I believe we will show the world yet another defining moment: the moment when the survivors and family members of this tragedy join hands to cut the ribbon on a new I-35W memorial bridge

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Senator Norm Coleman website:

**COLEMAN PLAN TO INCREASE MAXIMUM PELL GRANT AWARD
GAINING MOMENTUM IN SENATE**

Bipartisan group of 25 senators sign Coleman's letter urging Senate Budget Committee to take action on Pell Grants now

March 4th, 2005 - Washington, DC - Senator Coleman (R-MN) today announced that he, along with Senators Susan Collins (R-ME), Russ Feingold (D-WI), and Edward Kennedy (D-MA) are leading a bipartisan coalition of Senators in strongly urging the Senate Budget Committee to increase the maximum Pell Grant award to \$4,500 up from its current level of \$4,050.

In a letter to Budget Committee Chairman Judd Gregg (R-NH) and Ranking Member Kent Conrad (D-ND), Coleman and his colleagues explained that "the Pell Grant program is critical to providing needy college students with access to quality higher education. In 2005 alone, an estimated 5,309,000 students will receive Pell Grants. At a time when the cost of a college education has reached new heights while the maximum award has been frozen for the last three years, it is appropriate that the Pell Grant program rise to meet new needs."

In 1980 the Pell Grant covered 69 percent of school costs; today it covers less than 40 percent. According to the College Board, the national average for tuition and fees at four year public universities was \$10,636 last year, a 10 percent increase from the year before.

"More than 76,000 Minnesota students received Pell Grants last year," Coleman noted today about the effort. "This program plays a pivotal role in keeping higher education affordable to low and middle-income Minnesota families."

Coleman strongly commended Bush for his commitment to increase the maximum Pell Grant award over the next five years, but pointed out that this incremental increase would not keep pace with the faster rising costs of tuition. The letter reads: "We are encouraged by President Bush's support of reaching the goal of a \$4,500 Pell Grant maximum award. In light of recent tuition increases and past stagnant growth in the maximum award, however, we believe an immediate \$450 increase in the maximum Pell Grant would match the percentage growth in public college tuition over the past year."

"The Pell Grant is more than a financial aid program for college students in need. It is an investment in America's youth that will bring returns to the United States long-term global competitiveness through a more skilled and educated workforce. It is the right thing to do for America's college students, and it is the right thing to do for America's economy," Coleman reiterated today.

Senator Coleman introduced an amendment in the last Congress to increase the Pell Grant cap to \$4,500 which passed with overwhelming Senate support; however, the amendment was dropped in Conference Committee with the House of Representatives.

The Senators who signed this letter are: Norm Coleman (R-MN), Susan Collins (R-ME), Russ Feingold (D-WI), Edward Kennedy (D-MA), Conrad Burns (R-MT), Lincoln Chafee (R-RI), Elizabeth Dole (R-NC), Olympia Snowe (R-ME), Paul Sarbanes (D-MD), Barbara Mikulski (D-MD), Carl Levin (D-MI), Jon Corzine (D-NJ), Maria Cantwell (D-WA), Herbert Kohl (D-WI), Joseph Lieberman (D-CT), Jesse Bingaman (D-NM), John Reed (D-RI), Timothy Johnson (D-SD), Mark Pryor (D-AR), Mark Dayton (D-MN), Dianne Feinstein (D-CA), Ken Salazar (D-CO), Jim Talent (R-MO), Richard Durbin (D-IL), Blanche Lincoln (D-AR), and John Kerry (D-MA).

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Op-Ed by Democratic Senator Russ Feingold, printed in the *Daily Cardinal* (University of Wisconsin Student Newspaper)

Pell Grants need greater budget to cover increasing student costs

By: Russ Feingold / The Daily Cardinal - March 4, 2008

Russ Feingold highlights the importance Pell Grants have on students' ability to pay for higher education.

In many ways, higher education has changed for the better since I made my way up Bascom Hill for classes more than 30 years ago. At UW-Madison there is more world-renowned research being done than ever before, not to mention the dramatic increase we have seen in Badger football's winning percentage.

But one aspect of attending college—in Wisconsin, and across the country—has changed for the worse: the burden on students to scarp together enough funds for an education.

When I received my undergrad diploma from UW-Madison in 1975, the maximum Pell Grant award covered approximately 80 percent of the cost of attending a four-year public college. Now, the maximum Pell Grant award only covers approximately 33 percent of those costs.

Pell Grants provide need-based aid to over five million undergraduate students, opening the doors of higher education to those who otherwise might not have been able to attend college because of financial constraints.

As the support that Pell Grants provide diminishes, large numbers of students have been forced to forgo attending college all together or obtain costly student loans to pay for college. These barriers preventing access to higher education must be removed to give every American access to higher education.

Every time a young American is turned away from higher education by soaring costs our nation is worse off.

Because Pell Grants are one of the most important tools to help more Americans attend college, I am again leading an effort to urge the Senate Budget Committee, of which I am a member, to boost funding for the Pell Grant program.

Last week, a number of senators from both parties signed onto a letter I sent to the Budget Committee calling for the highest fiscally responsible increase in the maximum Pell Grant award for 2009.

Strengthening the Pell Grant program has strong support from both political parties and many of us agree that increasing access to a college education is important for the future of our nation.

I joined U.S. Sen. Edward M. Kennedy, D-Mass., U.S. Senator Susan Collins, R-Maine, and U.S. Sen. Norm Coleman, R-Minn., in leading this particular effort to increase funding for the Pell Grant program. I have worked closely with these senators for years to strengthen the Pell Grant program and I look forward to continuing to work with them as the 2009 budget process unfolds.

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Because students must complete a Free Application for Federal Student Aid in order to receive Pell Grants and other need-based federal aid, I want to take this opportunity to encourage students to fill out the FAFSA form at www.fafsa.ed.gov.

I understand applying for financial aid can be a confusing and time-consuming process, but I am hopeful that we in Congress can soon make that process easier for you.

Congress is currently working on re-authorizing the Higher Education Act which will simplify the FAFSA process as well help to add transparency to the student loan industry and re-authorize many important higher education programs including Pell Grants and the TRIO programs. The Senate and House have both passed HEA re-authorization bills by overwhelming margins and I hope that we can get a bill to the president for his signature soon.

Wisconsin has a rich tradition of higher education. Graduates of Wisconsin universities and colleges are given the tools and resources to start successful businesses, become respected community leaders, pursue groundbreaking research and innovation in their fields and much more.

We can continue and strengthen this tradition by boosting Pell Grant funding, and starting to make access to higher education a higher priority in Congress.

Russ Feingold is the junior senator from Wisconsin and is affiliated with the Democratic Party.

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**Senator Norm Coleman website:
Addressing Abuses in Refund Anticipation Loans**

In response to consumer complaints about the predatory lending practices of some tax preparers, Senator Coleman instructed the Subcommittee to examine these issues. Senator Coleman ultimately held a hearing exposing certain predatory practices in the refund anticipation loan industry on April 15, 2005.

As a direct result of PSI's investigation and hearing, one major nationwide tax preparer agreed to eliminate a surcharge on certain refund anticipation loans resulting in an annual savings of \$5 million for the poorest tax payers.

Star Tribune, 3/7/07

CREDIT CARD ISSUERS TAKEN TO TASK BY SENATE PANEL

In light of a GAO report that criticizes companies' tactics as "predatory," senators are investigating remedies

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March 7th, 2007 - WASHINGTON - A Senate subcommittee put executives of three major credit card companies in the hot seat on Wednesday, after a congressional report described the industry's practices as "predatory" and "confusing." "Credit card debt is often seen as a very personal problem, but the burgeoning level of household debt in America has implications for the entire nation," Minnesota Sen. Norm Coleman, the ranking Republican on the Subcommittee on Investigations, said at the hearing.

Sen. Carl Levin, D-Mich., chairman of the subcommittee, launched an investigation after the Government Accountability Office (GAO) released a report on credit practices last fall. The panel is considering legislation that would pressure credit card companies to more clearly disclose terms and change such practices as when fees are issued.

Executives from Bank of America, Chase Bank USA and Citigroup Inc. were grilled at the hearing about grace periods, interest rates and fees.

Coleman said credit card disclosures are sometimes written at the "twenty-seventh grade level": only someone with 12 years of grade school and high school, four years of college, a four-year medical degree, a five-year Ph.D and a two-year MBA would be able to wade through credit card terms, he said.

Ohio resident Wesley Wannamacher told the hearing that his initial credit card debt of \$3,200 tripled to \$10,700 with fees and interest. He was charged over-the-limit fees 47 times and interest on money he had already paid off, Levin said.

In late February, the credit card company forgave Wannamacher's debt, and Richard Srednicki, chief executive officer of Chase Card Services, apologized to Wannamacher at the hearing.

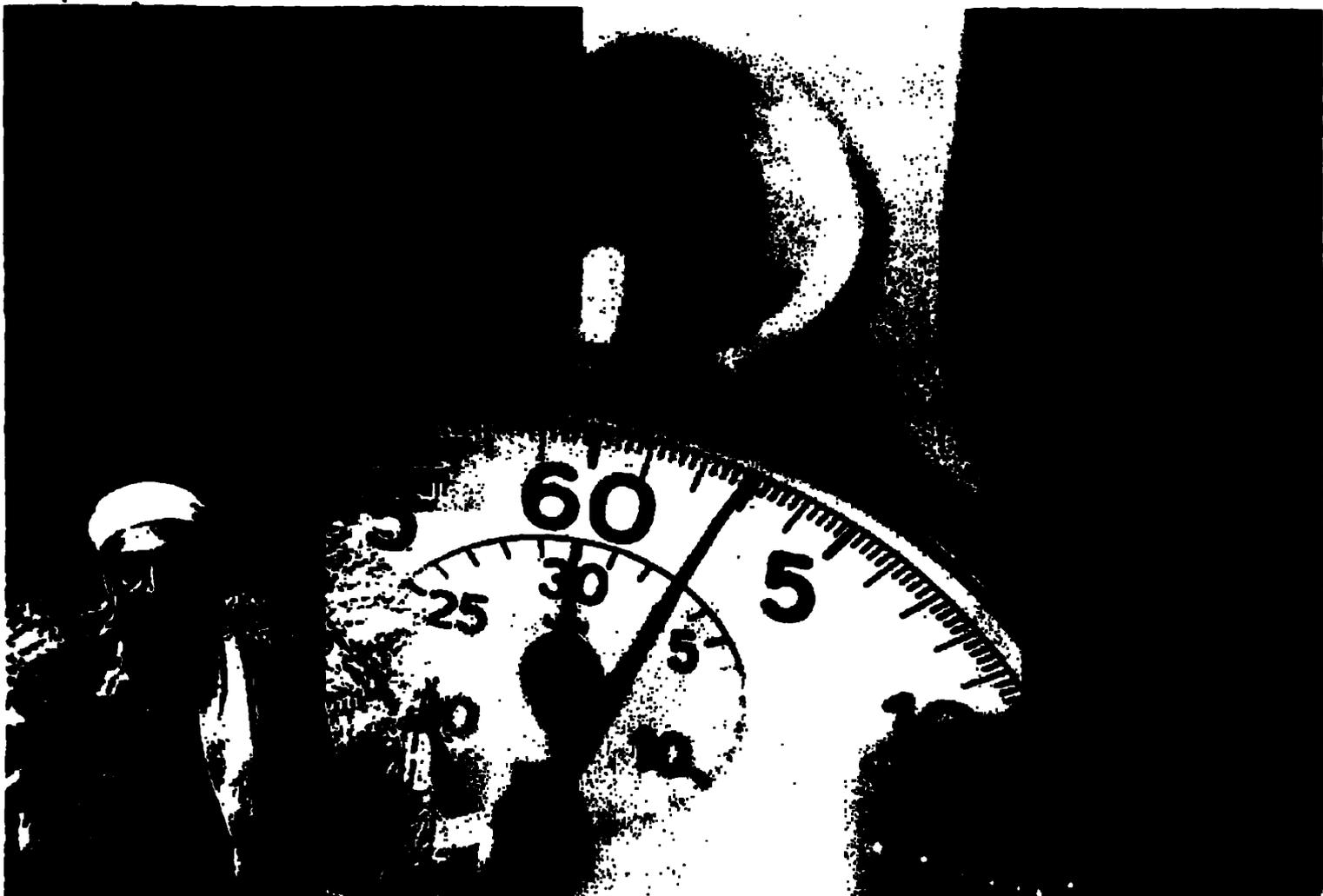
"In this case, we simply blew it," he said.

A few days ago the company decided to change its policy of charging a fee every month a card holder is over the credit limit, Srednicki said.

Citi Cards also announced changes last week, said Vikram Atal, Citi Card's chairman and chief executive officer.

Citigroup will consider increasing a customer's interest rate based only on that person's credit card behavior with Citi. The company will no longer increase the interest rate or fees until the card expires unless the cardholder does not pay on time, exceeds the limit or bounces a check.

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More than 60 days have passed since the intelligence community was stripped of capabilities vital to keeping America safe.

But Nancy Pelosi *still* refuses to act.

On February 16th, the law that allows intelligence agencies to intercept new terrorist communications expired.

The Senate voted to extend the law, passing a bipartisan bill that united political adversaries around the shared mission of protecting America.

Nancy Pelosi *refuses* to pass the Senate's bill, despite strong bipartisan support and the urging of 21 Democratic members, who cautioned that continued failure to do so, "could place our national security at undue risk." (Letter from 21 House Democrats to Speaker Nancy Pelosi, 1/28/08)

According to top law enforcement officials, their fears have already been realized. Attorney General Michael Mukasey and Director of National Intelligence Michael McConnell wrote, "We have lost intelligence information this past week as a direct result of the uncertainty created by Congress' failure to act." (Letter from Michael Mukasey and Michael McConnell to House Intelligence Chairman Silvestre Reyes, 2/22/08)

The House has played politics with national security for long enough. It's time for Nancy Pelosi to pass the Senate's bipartisan terrorist surveillance bill and return to our intelligence agencies the tools they need to keep us safe.