

May 24, 2023

Dear Members of the New York Assembly,

We write to urge you to support ending foreign corporate influence in New York State elections and ballot initiatives by passing the Democracy Preservation Act (A.2633 / S.371), which has been introduced by Assemblywoman Latrice Walker and Senator Michael Gianaris. We applaud the New York Senate for passing this bill with bipartisan support in March 2023. Now we urge the New York Assembly to do the same in this legislative session.

The Democracy Preservation Act would end foreign-influenced corporate spending in elections in New York State and protect the basic principle of democratic self-government. This model bill would prohibit corporations and similar for-profit businesses from political spending if 1% of stock is owned by a foreign investor, or 5% of stock is owned, in the aggregate, by multiple foreign investors. Under the Democracy Preservation Act's thresholds for defining foreign-influenced corporations, an estimated 98% of S&P 500 corporations would be covered based on their significant foreign ownership.

Foreign investors are already prohibited by federal law from spending money directly or indirectly to influence U.S. elections, including state and local elections. However, big foreign investors are subverting that federal law through the corporate form when companies with significant foreign investment are allowed to spend unlimited corporate funds to influence our elections. Many corporations—particularly global multinational corporations such as Airbnb, Amazon, and Uber—are owned in substantial part by foreign investors. Russian oligarchs have even invested in American companies. An investor who owns 1% of stock in a major corporation (typically, hundreds of millions of dollars) is likely one of the company's top 10 investors, and can get the CEO on the phone within 24 hours. Furthermore, executives focus on the interests of the major investors of their companies. As the CEO of ExxonMobil once said, "I'm not a U.S. company and I don't make decisions based on what's good for the U.S." In 2016, Airbnb responded to the New York Legislature's growing interest in regulating the industry by [reportedly](#) arming a super PAC with \$11 million to influence New York's legislative races. Decisions on New York political spending should not be made by companies subject to appreciable foreign influence.

In January 2020, Seattle became the first jurisdiction to end foreign-influenced corporate spending in elections with unanimous passage by the Seattle City Council, after Amazon spent \$1.5 million to influence local elections there. Further, in March 2022, the San Jose City Council voted to advance this model bill to prohibit political spending by foreign-influenced corporations. On May 5, 2023, this legislation was enacted in the state of Minnesota, becoming the first state in the nation to do so. In addition, this model legislation is pending in several other states, and Congressman Jamie Raskin of Maryland has introduced it in the U.S. House of Representatives, with more than 30 co-sponsors, with Sen. Elizabeth Warren of Massachusetts including it in her major anti-corruption package. Leading constitutional law and campaign

finance experts have endorsed this legislation, including Harvard Law Professors Laurence Tribe and John Coates and Commissioner Ellen Weintraub of the Federal Election Commission.

New York would be one of the first states in the country to pass this bold reform and close an enormous loophole for foreign influence in our elections. We urge you to support, co-sponsor, and pass this bill and help protect the promise of American self-government.

Sincerely,

Adirondacks Indivisible
Amazon Labor Union
Blue Haven Initiative
Blue Wave Postcard Movement
Center for American Progress
Citizen Action of New York
Common Cause New York
DemCast USA
Democracy Policy Network
Dutchess County Progressive Action Alliance
Empire State Indivisible
End Citizens United // Let America Vote Action Fund
Faiths for Safe Water
Fix Democracy First
Free Speech For People
Indivisible Nation BK
Justice Committee Albany Province, Sisters of St. Joseph of Carondelet
Main Street Alliance
Metro New York Health Care for All
New York Public Interest Research Group
People For the American Way
RepresentUs
Secure Elections Network
Sisters of Mercy of the Americas Justice Team
Sisters of the Presentation of the Blessed Virgin Mary
Sisters of St. Joseph
Sisters of St. Joseph Brentwood NY Office of Justice, Peace, Integrity of Creation
Sisters of St. Joseph of Rochester
SMART Legislation
Stand Up America
Westchester for Change
The Workers Circle