

# Record

April 2000

Federal Election Commission

Volume 26, Number 4

## Table of Contents

### Regulations

- 1 EFOIA: Final Rules
- 2 Commission Fails to Open Rulemaking on Express Advocacy
- 2 Repayments by Federally Financed Presidential Primary Campaigns: Notice of Disposition
- 3 Testimony on Coordination
- 3 State Filing Waiver Rules; Seven More States Certified

### 1 Advisory Opinions

### 4 Federal Register

### Outreach

- 5 Public Appearances
- 11 FEC Conferences

### Court Cases

- 6 DNC v. FEC
- 7 FEC v. Christian Coalition

### Budget

- 7 FEC Submits Budget to

### Reports

- 7 Nonfilers
- 8 April Reporting Reminder
- 8 Special Reporting Requirements for Candidates Running in States With Conventions
- 8 FEC Zip Codes

### Legislation

- 10 FEC Submits Legislative Recommendations

### Public Funding

- 10 2000 Presidential Spending Limits
- 11 Matching Funds

### 11 Index

## Regulations

### Electronic Freedom of Information Act Amendments: Final Rules

On February 17, the Commission approved rules and an accompanying Statement of Basis and Purpose concerning the Electronic Freedom of Information Act Amendments of 1996 (EFOIA). The Freedom of Information Act (FOIA) provides public access to all federal agency records except those that are protected from release by specified exemptions. 5 U.S.C. §552. The EFOIA extends coverage of the FOIA to electronic records and makes other changes in FOIA procedures that are designed to expedite and streamline the process by which agencies disclose information generally. The EFOIA requires each agency to make reasonable efforts to ensure that its records can be reproduced and searched electronically, except when such efforts would significantly interfere with the operation of the agency's automated information system. The Commission has amended its FOIA rules (11 CFR Part 4) to apply these statutory changes to its electronic record and procedures.

(continued on page 2)

## Advisory Opinions

### [AO 1999-37](#)

### PAC Distribution of Express Advocacy Communications Through Web Site and Electronic Mail

X-PAC may post communications containing express advocacy on its Web site and distribute them through electronic mail without making a contribution to any candidate.

### Background

X-PAC has created political communications expressly advocating the election or defeat of specific candidates for federal office without consultation with any candidate's campaign or committee. As such, they are considered independent expenditures.

The communications, which were created specifically for electronic distribution, were developed "in-house" by X-PAC using commercially available software and will be hosted on its Web site at no additional cost.

(continued on page 4)

## Regulations

(continued from page 1)

The Commission's FOIA rules have also been revised to address issues that have arisen since the original rules were adopted. The most important non-EFOIA change clarifies which documents are available in response to a FOIA request, and which are available to the general public from the Commission's Public Disclosure Division. The revised regulation also states that the Commission will determine within 20 days after receiving a FOIA request whether to comply with the request. Previously, this review period was 10 days.

The rules were published in the *Federal Register* on February 24, 2000 (65 FR 9201) and will become effective on March 27, 2000.

The Commission has already published a new brochure, *Availability of FEC Information*, which serves as the agency's official guide to materials available through

### Federal Election Commission 999 E Street, NW Washington, DC 20463

800/424-9530  
202/694-1100  
202/501-3413 (FEC Faxline)  
202/219-3336 (TDD for the  
hearing impaired)  
800/877-8339 (FIRS)

**Darryl R. Wold**, Chairman  
**Danny L. McDonald**,  
Vice Chairman

**Lee Ann Elliott**, Commissioner  
**David M. Mason**, Commissioner  
**Karl J. Sandstrom**, Commissioner  
**Scott E. Thomas**, Commissioner

**James A. Pehrkon**, Staff Director  
**Lawrence M. Noble**, General  
Counsel

Published by the Information  
Division

**Louise D. Wides**, Director  
**Jennifer A. Han**, Editor

<http://www.fec.gov>

EFOIA and elsewhere. This information is required under 5 U.S.C. 552(g). The brochure identifies specific documents available from the Commission and describes the methods for obtaining them.

For a free copy of the brochure, call the FEC's Faxline at 202/501-3414 and request document 534. Alternatively, you may access the brochure on the FEC's Web site at [www.fec.gov/pages/availfec.htm](http://www.fec.gov/pages/availfec.htm). Bulk supplies are available from the Commission, free of charge, by calling 800/424-9530 (press 1, then 3). ♦

### Commission Fails to Open Rulemaking on Express Advocacy

On February 9, the Commission failed to approve a motion by Commissioner David Mason that the agency initiate a rulemaking to repeal the definition of express advocacy found in subsection "b" at 11 CFR 100.22, the so-called "reasonable person test." (Subsection "a" of 100.22, which includes the so-called "magic words" definition of express advocacy, was not part of the rulemaking. Under that subsection, express advocacy is defined as a message that uses phrases such as "vote for the President," "re-elect your Congressman," or "Smith for Congress.")

Subsection b of Section 100.22 states:

*Expressly advocating* means any communication that—

(b) When 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(s) because—

(1) The electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(2) Reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action.

Commissioner Mason made the motion in connection with the Commission's discussion on whether or not to appeal the decision in *Virginia Society for Human Life, Inc. v. FEC*.<sup>1</sup> He reasoned that, if the Commission were to repeal the provision invalidated in that case, there would be no need to appeal the decision. Subsequently, the Commission decided to appeal the case. ♦

### Commission Approves Notice of Disposition on Regulation Pertaining to Repayments by Federally Financed Presidential Primary Campaign Committees

On March 16, 2000, the Commission decided to make no changes to the regulation at 11 CFR 9038.2(b)(2)(ii)(A). Under this provision, the Commission has in the past required the repayment of primary matching funds based on a determination that a publicly funded candidate or authorized committee has made expenditures in excess of the primary spending limits. The current rule is not being changed because there is no consensus in favor of changing the regulation. The Notice of Disposition was published in the *Federal Register* on March 22, 2000. 65 FR 15273.

<sup>1</sup> *The U.S. District Court for the Eastern District of Virginia, Richmond Division, found the regulation at 11 CFR 100.22(b) to be "blatantly unconstitutional" under Buckley v. Valeo and issued an order prohibiting the FEC from enforcing it "against the VSHL or against any other party in the United States of America." For a full summary of the court decision, see page 8 of the [March 2000 Record](#).*

In 1998, the Commission issued a Notice of Proposed Rulemaking (NPRM) that raised the argument that the current provision was without statutory basis. The NPRM went on to discuss three alternatives and focused on the similarities and differences between the primary elections and the general election with respect to the repayment requirements. For a discussion of the alternatives, see page 7 of the [January 1999 Record](#). ♦

### Commission Hears Testimony on Coordination

On February 16, the Commission held a public hearing on proposed rules concerning coordinated communications made in support of or in opposition to clearly identified candidates that are paid for by persons other than candidates, candidates' authorized committees and party committees. The Commission also sought comments on whether the same rules, or a different standard, should apply to expenditures made by party committees that are coordinated with the parties' candidates.<sup>1</sup> Nine witnesses testified at the hearing. They represented the Republican National Committee, the Democratic National Committee, the Democratic Senatorial Campaign Committee and the Democratic Congressional Campaign Committee, the First Amendment Project of the Americans Back in Charge Foundation,

<sup>1</sup> For a summary of the proposed regulations, contained in a Notice of Proposed Rulemaking (NPRM), see page 14 of the [January 2000 Record](#). The NPRM is available from the Public Records Office at 800/424-9530 (press 3) or 202/694-1120; through the FEC Faxline at 202/501-3413 (document 246); and at the [FEC's Web site—www.fec.gov](#). The NPRM was published in the December 9, 1999, Federal Register (64 FR 68951, December 9, 1999).

the James Madison Center for Free Speech, the AFL-CIO, The Coalition, the Alliance for Justice and the Brennan Center for Justice

The concept of "coordinated expenditures" is important because, unlike independent expenditures, coordinated expenditures are considered in-kind contributions and are subject to the limitations and prohibitions of the Federal Election Campaign Act and Commission regulations.

The proposed regulations largely follow the language of the *Christian Coalition*<sup>2</sup> decision.

For copies of witness testimony, call the Public Records Office at 800/424-9530 (press 3). Fourteen written or electronic comments received in response to the NPRM are also available from the Public Records Office and on the [FEC's Web site at www.fec.gov](#). ♦

### Commission Approves State Filing Waiver Rules; Seven More States Certified for State Waiver

On March 16, 2000, the Commission approved revisions to its rules at 11 CFR Part 108 that govern the filing of campaign finance reports with state officers and the duties of state officers concerning the reports. The rules were published in the March 22, 2000, Federal Register (66 FR 15221) and will take effect following a 30-day legislative review period before the House and Senate.

The Federal Election Campaign Act (the Act) at 2 U.S.C. §439 requires:

- Candidates and committees to file copies of their campaign finance reports with the appropriate state officer in each state where contributions are received or expendi-

tures are made on behalf of a federal candidate appearing on that state's ballot; and

- States to maintain these documents for two years.

In 1995, Congress enacted 2 U.S.C. §439(c), which exempts from these requirements any state that the Commission determines to have in place a system that permits electronic access to and duplication of reports and statements that are filed with the Commission.

The new rules provide, *inter alia*, that if a state obtains a waiver under this section, the waiver applies to all documents that are available on the Commission's Web site, regardless of whether the documents were filed with the Commission or with the Secretary of the Senate. They also drop the requirement that states maintain such records in paper or microfilm format for two years. Finally, they authorize states to charge a reasonable fee for access to and duplication of the covered documents.

The Commission approved the State Filing Waiver Program on October 14, 1999. Under this program, states that meet certain criteria set out by the Commission no longer have to receive and maintain paper copies of most FEC reports in their state's campaign finance records office. Additionally, most committees no longer have to file copies of their reports in the certified states. Note, however, that for the present time the waiver does not apply to reports filed by the campaigns for U.S. Senate candidates because those reports are not currently available on the Commission's Web site.

Forty states have been certified as being qualified for the state filing waiver. Most recently, the Commission certified seven new states:

<sup>2</sup> For a summary of *FEC v. Christian Coalition*, see page 4 of the [September 1999 Record](#).

(continued on page 4)

## Regulations

(continued from page 3)

American Samoa (considered a state for purposes of report filing rules), Maine, Maryland, Missouri, Oklahoma, Texas and Wyoming.<sup>1</sup> In the certified states, the public can review and copy campaign finance reports of most federal candidates by accessing the FEC's Web site (www.fec.gov) on computers located at the state's campaign finance records office. ♦

<sup>1</sup> The Commission previously certified Alabama, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Michigan, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, U.S. Virgin Islands, Washington, West Virginia and Wisconsin.

### Federal Register

Federal Register notices are available from the FEC's Public Records Office.

#### Notice 2000-3

Electronic Freedom of Information Act Amendments; Final Rules and Statement of Basis and Purpose (65 FR 9201, February 24, 2000)

#### Notice 2000-4

Filing Copies of Campaign Finance Reports and Statements with State Officers; Final Rules and Transmittal of Regulations to Congress (65 FR 15221, March 22, 2000)

#### Notice 2000-5

Public Funding of Presidential Primary Candidates--Repayments; Notice of Disposition and Termination of Rulemaking (65 FR 15273, March 22, 2000)

## Advisory Opinions

(continued from page 1)

X-PAC will distribute the ads through e-mail and by having individuals download them from its Web site. Viewers will be encouraged to forward the advertisements to others through their own e-mail accounts and with a "send this ad to a friend" link on the X-PAC Web site.

### Reporting Expenses

The costs of registering and maintaining X-PAC's Web site, as well as any costs related to the purchase and use of computer hardware and software, are considered overhead expenses. As such, they must be reported as operating expenditures, but they do not need to be reported as part of X-PAC's independent expenditures, unless they are directly attributed to a particular communication that expressly advocates the election or defeat of a clearly identified candidate.

If X-PAC does have such expenses, it would report them on Schedule E (for Independent Expenditures) as costs of producing or distributing an independent expenditure communication. Costs of \$200 or less to one payee would be included on line B. Costs over \$200 would be itemized and would be accompanied by certifications of independence. See 11 CFR 104.3(b)(3)(vii)(B).

X-PAC has no reporting obligations regarding any downloading of X-PAC's political advertisements since it has no costs or expenses that are directly attributable to downloading by others. However, X-PAC's initial distribution of such advertisements through e-mail will be X-PAC's own communications and will be considered independent expenditures by X-PAC with the necessary reporting obligations.

### Disclaimer

Under the Act and Commission regulations, public political communications that contain express advocacy or a contribution solicitation require a disclaimer, stating who paid for it and which candidate or authorized committee, if any, authorized the communication. 2 U.S.C. §441d; 11 CFR 110.11(a)(1)(iii) and (a)(1)(iv). For purposes of the disclaimer rules, a public political communication includes a direct mailing of more than 100 pieces that contain a substantially similar message. In this case, if X-PAC sends e-mails containing express advocacy or solicitations on behalf of a specific candidate to more than 100 separate addresses, and the e-mails have substantially similar content, then the e-mails must include an appropriate disclaimer in a "clear and conspicuous manner" to give adequate notice to the viewer or reader. The disclaimer is required even if X-PAC's expenses do not exceed the \$200 aggregate.

### Downloading

X-PAC has no obligation to collect or provide information regarding individuals who want to use the ads for their own Internet political activity. Furthermore, X-PAC is not required to take any action in stopping foreign nationals from forwarding the advertisements since section 441e does not prohibit the distribution of messages that expressly advocate the election or defeat of a clearly identifiable federal candidate to a list of recipients that may include foreign nationals. The Act does prohibit, however, soliciting political contributions from foreign nationals.

Date Issued: February 11, 2000; Length: 10 pages. ♦

AO 1999-39**Disaffiliation of Separate Segregated Funds After Corporate Restructuring**

WellPoint Health Networks Political Action Committee (WellPAC) and Blue Cross and Blue Shield Association PAC (BluePAC) are no longer affiliated due to a structural reorganization of WellPAC's connected organization. Consequently, they no longer share limits on the receipt and making of contributions, and neither of their connected organizations may solicit the restricted class of the other's organization for PAC contributions.

WellPAC is the separate segregated fund of WellPoint Health Networks, Inc. Until July of 1996, WellPAC was known and operated as Blue Cross of California PAC (BCC PAC) with Blue Cross of California (BCC) as its connected organization. BCC was affiliated with Blue Cross and Blue Shield Association (BCBSA); consequently, BCC PAC and Blue PAC were affiliated at that time.

BCC was originally established as a nonprofit public benefit corporation. Prior to 1993, the organization that is now WellPoint was directed or controlled by BCC, and it operated various plans that were Blue Cross licensees. Between 1993 and 1996, BCC converted into a for-profit corporation. As a result of this corporate reorganization, BCC became a wholly-owned subsidiary of WellPoint.

WellPoint business operations extend well beyond those of Blue Cross. It currently owns 18 operating subsidiaries, two of which do business under the Blue Cross name and mark in California. The remaining sixteen operating companies do business under UNICARE, WellPoint or other names and marks in other states.

WellPoint's transformation from a company that was primarily engaged in business under Blue

Cross to one with significantly more varied operations provides the "context of the overall relationship" for the examination of affiliation factors. See 11 CFR 110.3(a)(3)(ii).

Although license agreements remain between Blue Cross and BCBSA, Blue Cross operations are now owned by WellPoint and are one segment of a materially altered company structure that is significantly engaged in other activities not related to BCBSA, which activities even involve some competition with BCBSA entities. The effect of the license restrictions on matters addressed in Commission regulations appears to be outweighed by this structural organization, particularly in view of the fact that the effect of these restrictions is limited, as discussed below.

- Blue Cross operations are owned by WellPoint, which conducts an extensive portion of its businesses under the UNICARE name, some of which even involve competition with BCBSA entities.
- BCBSA has no significant control over WellPoint's board membership; BCBSA has had no role in the placing of individuals on the WellPoint board; and the selection of successor board members is controlled by the WellPoint board and shareholders.
- There is only a minor overlap of present and former employees between the two corporations.
- BCBSA and WellPoint do not share the same lobbyists to represent their organizations.
- Although BCBSA provides limited administrative services to WellPoint (and to other licensees), it does so through an "arms length" transaction (i.e., WellPoint pays BCBSA for these services and for the use of the blue cross name and mark).

Moreover, the continued relationship between BCC and BCBSA does not change the fact that WellPAC and BluePAC are no

longer affiliated. WellPoint's equity ownership and control of BCC supersede any control held by BCBSA.

Issued: February 18, 2000;  
Length: 10 pages ♦

AO 2000-1**Paid Leave of Absence for Attorney Seeking Federal Office**

A candidate who is an employee of a law firm, but who is not doing any work for the firm, may not receive a partial salary from the firm while seeking federal office.

Angel Taveras is currently an attorney at a law firm, Brown Rudnick, Freed & Gesmer (Brown Rudnick), which is a professional corporation. He is also a candidate for the U.S. House of Representatives and wishes to take a partially paid leave of absence during his candidacy.

Mr. Taveras's compensation is on a salary basis, with an annual bonus. During his absence, Mr. Taveras will be released from all duties and responsibilities with the firm. He will not perform any work for the firm or its members that will result in billable hours to the firm's clients. Mr. Taveras will, however, still receive one-half of his usual salary for the leave period.

Under Brown Rudnick's paid leave policy, an attorney may draw some salary based on his or her time with the firm, the reason for the leave and the benefit to the attorney's practice and the firm overall.

*(continued on page 6)*

**Public Appearances**

April 4-7, 2000  
Center for Democracy and  
Technology  
Toronto, Canada  
Commissioner Karl Sandstrom

## Advisory Opinions

(continued from page 5)

Commission regulations provide that, except for certain legal and accounting services, the payment of compensation for the campaign services of an employee or other person is a contribution by the employer or payer. 11 CFR 100.7(a)(3). As an exception to this rule, Commission regulations allow a corporation to compensate an employee for leave time where “the time used by the employee to engage in political activity is bona fide, although compensable, vacation time or other earned leave time.” 11 CFR 100.7(a)(3)(iii). Mr. Taveras’s proposal would not be permissible under this exception. Rather than earned vacation time or leave time accrued by an employee, the proposal entails a discretionary determination by the firm which is based, in part, on factors other than past employment.

Consequently, if the firm were to approve Mr. Taveras’s proposal and pay him one-half of his normal salary for the duration of his candidacy, the firm’s compensation would be considered a contribution to Mr. Taveras’s campaign. Because Brown Rudnick is a corporation, the payment would be prohibited pursuant to 2 U.S.C. 441b(a), which prohibits a corporation from making any contribution or expenditure in connection with a federal election.

Furthermore, section 113.1(g) of the regulations provides that payment by a third person of a candidate’s personal expenses during the campaign is considered a contribution by the third person (in this case, Mr. Taveras’s firm) unless the payment would be made irrespective of the candidacy. The regulation notes that payments of compensation are contributions unless:

- The compensation results from bona fide employment that is genuinely independent of the candidacy;
- The compensation is exclusively in consideration of services provided by the employee; and
- The payment does not exceed the amount of compensation that would be paid to any other similarly qualified person for the same work over the same period of time.

Mr. Taveras’s proposal does not meet these requirements. The basis for paying one-half of his usual salary includes factors that are not related to services that he provides as part of his employment.

Based on the foregoing, Mr. Taveras may not receive a partial salary from his law firm for the duration of his candidacy.

Date Issued: March 6, 2000;  
Length: 6 pages. ♦

## Court Cases

### **Democratic National Committee v. FEC (1:00CV00161)**

On January 28, the Democratic National Committee (DNC) asked the U.S. District Court for the District of Columbia to:

- Declare the FEC’s dismissal of the DNC’s administrative complaint against the Republican National Committee (RNC) and the National Policy Forum (NPF) as contrary to law, and
- Issue an order directing the FEC to take appropriate action with regard to the dismissed complaint.

The DNC’s administrative complaint charged that the NPF was a project of the RNC, which the RNC disguised as a separate tax-exempt nonprofit corporation. According to the DNC, the RNC

conducted activity through the NPF to evade the requirements of the Federal Election Campaign Act (the Act) and Commission regulations. The RNC provided nonfederal funds to the NPF, which then conducted activities which “would clearly be covered by the FECA [the Federal Election Campaign Act] and the FEC’s regulations if conducted by the RNC itself.”

The Commission, on a vote of 3-1,<sup>1</sup> declined to make reason-to-believe findings and open an investigation into the following violations alleged by the DNC:

- The RNC’s failure to pay for the federal portion of the NPF’s expenses with contributions that were permissible under the Act; and
- The RNC’s failure to file public reports disclosing the NPF’s receipts and disbursements.

The DNC also filed an amended administrative complaint alleging that the RNC had used the NPF as a means to hide foreign contributions to the RNC. Specifically, the RNC had lent more than \$2 million to the NPF and later arranged for a Hong Kong company to put up collateral for a bank loan to the NPF. Subsequently, the NPF used those loans to repay the RNC.

On this alleged violation, the Commission authorized an investigation.

Following the investigation, the Commission, on a 3-3 tie vote, declined to find probable cause to believe that the RNC had solicited and accepted an illegal \$1.6 million contribution from a foreign national, in violation of 2 U.S.C. §441e. The Commission then dismissed the complaint and closed the file.

The Commissioners who voted not to find reason to believe and probable cause that the RNC had

<sup>1</sup> One Commissioner was recused from the case and one Commission seat was vacant.

violated the Act had not filed Statements of Reasons explaining the basis for their votes at the time the DNC filed suit. The DNC claims in its litigation that the failure to file such a statement was in violation of the law and Commission regulations and, therefore, that the Commission's dismissal of its complaint was contrary to law. Since the suit was filed, however, Statements of Reasons explaining both votes have been issued. ♦

### **FEC v. Christian Coalition (96-1781)**

The FEC and the Christian Coalition (Coalition) negotiated a final judgment and order, which the court issued on February 23, 2000.

Back in August 1999, the U.S. District Court for the District of Columbia granted in part and denied in part motions for summary judgment by both the FEC and the Coalition. The court granted partial summary judgment in favor of the Coalition with respect to all alleged violations except for the following: the court found that the FEC was entitled to a civil penalty for the Coalition's express advocacy of House Speaker Newt Gingrich's reelection in 1994 and for the Coalition's having provided Oliver North's Senate campaign with a valuable mailing list. The court left unresolved, however, whether the Coalition had coordinated its voter guide activities with the North campaign. For a summary of *FEC v. Christian Coalition*, see page 4 of the [September 1999 Record](#).

In the final judgment, the court ordered that:

- The Coalition pay \$45,000 to the FEC, representing a complete settlement of all outstanding issues, including civil penalties and sanctions; and
- Both the FEC and the Coalition bear their own costs and attorney fees. ♦

## Budget

### **FEC Submits FY2001 Budget to Congress**

The FEC submitted its FY2001 budget justification to Congress and the Office of Management and Budget (OMB). The FY2001 request for \$40,960,000 and 356 personnel represents an increase of 7 percent in funding and four additional personnel over the FY2000 appropriation by Congress.

The Commission also transmitted to Congress and the OMB its FY2001 Performance Plan, re-transmitted its FY1998-2003 Strategic Plan in accordance with the Government Performance and Results Act (GPRA), and included the most recent status report to Congress on the 1999 PricewaterhouseCoopers (PwC) audit recommendations.

The Executive Summary of the budget request noted that the requested funds and personnel would enable the Commission to:

- Complete the audits of publicly funded Presidential campaigns within two years after the November 2000 general election.
- Conduct between 40 and 45 Title 2 "for cause" audits per election cycle as opposed to 20 to 25 conducted in previous election cycles.
- Maintain a timely and enhanced campaign finance disclosure program, including:
  - \* Improvements in the processing of reports, the inputting of data and the review of reports filed with the FEC;
  - \* Implementing thresholds for mandatory electronic filing of disclosure reports;

- \* Providing equipment to state offices to facilitate their participation in the state waiver program (see page 2 of the [January Record](#)); and
  - \* Enhancing the disclosure imaging system for Internet access.
- Ensure that significant efforts are made to enforce the disclosure and limitation provisions of the Federal Election Campaign Act.
  - Complete the revision of the Voting System Standards and conduct a national conference of elections officials to introduce the new standards.
  - Continue progress in implementing the Administrative Fines Program, the Alternative Dispute Resolution Pilot Program and other initiatives to improve the timeliness of enforcement actions.
  - Continue progress in implementing the PwC audit recommendations.
  - Continue the enhancement of computer capabilities, including the FEC's Web site. ♦

## Reports

### **Nonfilers**

The campaign committees listed in the chart on page 8 failed to file pre-primary reports in regards to primary elections that were held on March 7, 2000, in California, on March 14, 2000, in Texas and on March 21, 2000, in Illinois to select candidates for the U.S. Senate and House of Representatives. The reports, which were due 12 days before the election, were to include financial activity occurring from January 1 through February 16 for the March 7 primary, from January 1 through February 23 for the March 14 primary and January 1 through

(continued on page 8)

## Reports

(continued from page 7)

March 1 for the March 21 primary. The FEC is required by law to publicize names of nonfiling campaign committees. 2 U.S.C. §438(a)(7). The agency pursues enforcement actions against nonfilers on a case-by-case basis. ♦

## April Reporting Reminder

Committees filing on a quarterly basis must file their first quarterly report by April 15. Those filing on a monthly basis have a report due on April 20.

In addition to filing quarterly reports, committees of House and Senate candidates active in the 2000 primary and runoff elections must file pre-election reports and may have to file 48-hour notices. PACs and party committees filing on a quarterly basis may also have to file pre-election reports and 24-hour reports of independent expenditures.

For more information on 2000 reporting dates:

- See the reporting tables in the January 2000 *Record*;
- Call and request the reporting tables from the FEC at 800/424-9530 (press 1, then press 3) or 202/694-1100;
- Fax the reporting tables to yourself using the FEC's Faxline (202/501-3413, document 586); or
- Visit the FEC's Web site at [www.fec.gov/pages/charts/htm](http://www.fec.gov/pages/charts/htm) to view the reporting tables online. ♦

## FEC Zip Code

For reports sent to the FEC through FedEx, Airborne Express, UPS and DHL, please use 20463 or 20004 as the FEC's zip code. For all other mail, use 20463.

Candidate	Office Sought
Allen Rowe for Congress	House CA/22
Pegram for Congress	House CA/36
Committee to Re-Elect Congressman Dana Rohrabacher	House CA/45
Elect Peter Kouvelis	House CA/48
Jesse Jackson Jr. for Congress Committee	House IL/02
Christensen for Congress	House IL/06
Stevenson for Congress	House IL/11
Gary L. Harrison for U.S. Congress	House TX/05
Jo Ann Matranga for Congress	House TX/22
Garza for Congress Committee	House TX/23
Eddie Bernice Johnson for Congress	House TX/30

## Special Reporting Requirements for Candidates Running in States With Conventions

The Federal Election Campaign Act's (the Act's) definition of election includes "a convention or caucus of a political party which has authority to nominate a candidate." 2 U.S.C. §431(1). Conventions in the states listed in the chart on page 9 have the authority to nominate. Therefore, they are considered elections for purposes of the Act. Consequently, candidates seeking nomination in any of these conventions are entitled to a separate contribution limit for the convention. [AO 1978-30](#). (They also have to file reports pertaining to the convention. See below).

In Connecticut and Utah, if a candidate is not nominated by the party during the convention, a primary is held. If a primary is held, a candidate in such a primary will have an additional contribution limit for the primary. [AO 1992-25](#).

Note, however, that if a conven-

tion does not have the authority to nominate a candidate, it does not count as an election, and candidates are not accorded a separate contribution limit for that convention. [AO 1984-16](#).

## Reports

Candidates involved in a convention (that has the power to nominate) in the states listed in the chart must file a pre-election report for the convention. This report must be filed even if the candidate is unopposed in the convention. [AO 1986-21](#).

Campaign committees must also file 48-hour notices disclosing contributions of \$1,000 or more received less than 20 days, but more than 48 hours, before the date of the election. The FEC or the Secretary of the Senate must receive the notice within 48 hours of the committee's receipt of the contribution. The period covered by 48-hour notices is listed in the chart on the next page for every state holding a convention. ♦



**Convention Reports**

<b>State</b>	<b>Election Day</b>	<b>Close of Books</b>	<b>Mailing Date</b>	<b>Filing Date</b>	<b>48-Hour Notice Period</b>
Connecticut House (D)	July 17	June 27	July 2	July 5	June 28-July 14
Connecticut House (R)	July 10	June 20	June 25	June 28	June 21-July 7
Connecticut Senate (D)	July 14	June 24	June 29	July 2	June 25-July 11
Connecticut Senate (R)	July 22	July 2	July 7	July 10	July 3-July 19
Texas House (Minor Party) Districts 1-6, 8-9, 11-15, 17, 19, 21-24, 26-28	March 25	March 5	March 10	March 13	March 6-March 22
Texas House (Minor Party) Districts 7, 10, 16, 18, 20, 25, 29, 30	March 18	February 27	March 3	March 6	February 28-March 15
Utah (D) and (R)	May 6	April 16	April 21	April 24	April 17-May 3
Utah (Independent American)	May 13	April 23	April 28	May 1	April 24-May 10
Utah (Libertarian)	May 20	April 30	May 5	May 8	May 1-May 17
Virginia	To Be Announced				

## Legislation

### FEC Submits Six Priority Recommendations for Legislative Action

The FEC submitted to Congress and the President six priority recommendations for legislative action in the area of campaign finance law—changes to the law that the Commission unanimously believes “would have a significant effect on the election system,” FEC Chairman Darryl R. Wold wrote in a cover letter. The recommendations are summarized below:

1. Election Cycle Reporting of Operating Expenditures and Other Disbursements – Place committee reporting of itemized operating expenditures and other disbursements on an election-cycle basis. This would establish consistency with the reporting of campaign receipts, which (based on last year’s legislative change) will be reported on an election-cycle basis, starting January 1, 2001.
2. Waiver Authority – Grant authority to the Commission to waive excessive reporting requirements.
3. Monthly Reporting for Congressional Candidates – Give principal campaign committees of Congressional campaigns the option of filing monthly reports so that their reports cover less activity and are easier to do.
4. Application of the \$25,000 Annual Limit – Simplify the application of the \$25,000 annual limit for individuals, thereby reducing inadvertent violations while allowing the Commission to better monitor compliance.
5. Contributions by Foreign Nationals – Clarify that the prohibition on foreign national activity applies to both contributions and expenditures and to both federal and nonfederal elections.

6. Lines of Credit and Other Loans Obtained by Candidates – Clarify the legality of loans made using alternative sources of financing, such as advances on a candidate’s brokerage account, credit card or home equity line of credit.”

On March 15, the Commission submitted 32 supplemental legislative recommendations to the President and Congress. This group contained recommendations that address areas that have been problematic and recommendations that are primarily technical in nature. ♦

## Public Funding

### 2000 Presidential Spending Limits

Presidential candidates who accept public funds may each spend \$40,536,000 on their pre-nomination efforts and \$67,560,000 during the general election.

Each of the two major parties will be able to spend up to \$13,680,292 on behalf of their Presidential nominees, and \$13,512,000 on their conventions. Although the Reform Party will receive only partial public funding, it will be subject to the same expenditure limits for its Presidential nominee and its convention as the two major parties.

There is an overall spending limit for the entire pre-convention period as well as limits for spending in each state. The limits only apply to those campaigns that accept federal funds. Campaigns which forego federal funding may spend unlimited amounts of money.

The overall “base” spending limit for Presidential primary campaigns is \$10 million plus a cost-of-living adjustment (over 1974). For the 2000 primary season, the “base” spending limit is \$33,780,000. Twenty percent of a campaign’s

fundraising expenses is exempt from the spending limit. This effectively raises the amount primary contenders may spend in the pre-convention period to \$40,536,000.

In addition, during the primary campaign, Commission regulations exempt another 15 percent of this “base” spending limit for legal and accounting costs associated with complying with the Federal Election Campaign Act. In the 2000 election, this will amount to \$5,067,000. Once the campaign is over and is winding down, all salary and overhead expenses are exempt from the limit in addition to the 15 percent of the “base” spending limit allowed for legal and accounting costs during the campaign.

The two major party nominees who qualify for public funding in the general election will each be given \$67,560,000 for the campaign. This amount derives from a general election spending limit of \$20 million plus a cost-of-living adjustment (over 1974). The nominees receive all of their funds from the U.S. Treasury and may not raise private contributions for the campaign (other than for certain legal and accounting costs which are not subject to the spending limits).

Public funds paid in connection with the Presidential elections are derived entirely from the \$3 tax checkoff, an option offered all taxpayers on their U.S. tax return forms. ♦

## Matching Funds for 2000 Presidential Candidates: February Certification

Candidate	Certification February 2000	Cumulative Certifications
Gary L. Bauer (R) <sup>1</sup>	\$167,589.71	\$4,419,393.18
Bill Bradley (D) <sup>2</sup>	\$1,098,918.35	\$11,263,189.91
Patrick J. Buchanan (Reform)	\$273,885.08	\$3,155,941.99
Al Gore (D)	\$462,769.38	\$12,407,562.19
Alan L. Keyes (R)	\$420,766.00	\$1,978,205.10
Lyndon H. LaRouche, Jr. (D) <sup>3</sup>	\$77,493.45	\$901,338.93
John S. McCain (R) <sup>4</sup>	\$1,077,624.65	\$6,984,208.69
Dan Quayle(R) <sup>5</sup>	\$0.00	\$2,012,525.00

<sup>1</sup> Gary L Bauer publicly withdrew from the race on February 4, 2000.

<sup>2</sup> Bill Bradley publicly withdrew from the race on March 9, 2000.

<sup>3</sup> Lyndon H. LaRouche, Jr. became ineligible for matching funds on March 6, 2000.

<sup>4</sup> John S. McCain publicly withdrew on March 9, 2000.

<sup>5</sup> Dan Quayle publicly withdrew from the race on September 27, 1999.

### FEC Conference Schedule

The FEC will continue its series of conferences through May. See below for details. To register for any conference, call Sylvester Management at 800/246-7277 or send an e-mail to [tsylvester@worldnet.att.net](mailto:tsylvester@worldnet.att.net). For program information, call the FEC's Information Division at 800/424-9530 or 202/694-1100. A regularly updated schedule for the conferences and a downloadable invitation/registration form appear at the FEC's Web site. Go to <http://www.fec.gov/pages/infosvc.htm> for the latest information.

#### Corporate and Labor Conference

Date: April 6-7, 2000  
Location: Washington, DC  
(Hyatt Regency on Capitol Hill)  
Registration: \$265

#### Membership and Trade Association Conference

Date: May 16-17, 2000  
Location: Washington, DC  
(Hilton Crystal City)  
Registration: \$250

## Index

The first number in each citation refers to the "number" (month) of the 2000 *Record* issue in which the article appeared. The second number, following the colon, indicates the page number in that issue. For example, "3:4" means that the article is in the March issue on page 4.

### Advisory Opinions

- 1999-24: Web site sponsored by LLC featuring information on candidates, 1:17  
1999-29: Fundraising exemption from state limits for direct mailing by Presidential committee, 1:19  
1999-30: Application of allocation ratio in state with single house legislature, 1:20  
1999-31: Application of one-third rule to prizes and premiums used in connection with payroll deduction, 1:21  
1999-32: Indian tribe's utility authority treated as separate from the tribe, 3:4  
1999-33: Delayed transmittal of payroll deductions, 3:5  
1999-34: Use of campaign funds to finance charity event, 2:2  
1999-35: Soliciting for SSF through electronic deduction system, 2:4  
1999-36: Fundraising via electronic checks and Internet fund transfers, 3:5  
1999-37: PAC distribution of express advocacy communications through Web site and e-mail, 4:1  
1999-39: Disaffiliation of SSFs after corporate restructuring, 4:5  
2000-1: Paid leave of absence for attorney seeking federal office, 4:5

### Compliance

- MUR 3774: Failure to allocate expenses between federal and nonfederal accounts for get-out-the-vote drive conducted by third party, 3:3

MUR 4322 and 4650: Violations by candidate, campaign committees, treasurer and relative, 2:1

MUR 4648: Failure to disclose purpose of expenditures and other violations, 3:4

### Court Cases

\_\_\_\_\_ v. FEC

– Christine Beaumont, et al., 3:9

– DNC, 4:6

– DSCC, 1:2

– Virginia Society for Human Life, Inc., 3:8

FEC v. \_\_\_\_\_

– Christian Coalition, 4:7

– Friend for Fasi, 3:9

Other

– Fireman v. USA, 1:13

– Mariani v. USA, 1:3

– Shrink PAC v. Nixon, 3:7

### Regulations

Coordination, 1:14; 4:3

Electronic Freedom of Information Act, 4:1

Express Advocacy, 4:2

Repayments by Federally Financed Presidential Primary Campaign Committees, 4:2

State Waivers, 4:3

### Reports

Reports due in 2000, 1:5

State Filing Waiver, 1:2; 2:5, 4:3

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