



FEDERAL ELECTION COMMISSION
Washington, DC 20463

FEDERAL ELECTION
COMMISSION
SECRETARIAT

2007 OCT 26 P 6:19

OCT 26 2007

MEMORANDUM

AGENDA ITEM

For Meeting of: 10-30-07

TO: The Commission

FROM: Thomasenia P. Duncan *TPD*
General Counsel

Rosemary C. Smith *RCS*
Associate General Counsel

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Assistant General Counsel

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SUBJECT: Draft Notice of Proposed Rulemaking on Reporting Contributions
Bundled by Lobbyist/Registrants and Lobbyist/Registrant PACs

Attached is a draft Notice of Proposed Rulemaking ("NPRM") that would implement section 204 of the Honest Leadership and Open Government Act of 2007. The proposed new rules at 11 CFR 100.5(e)(7) and 11 CFR 104.22 would require authorized committees, leadership PACs, and political committees of political parties to disclose certain information about lobbyists/registrants and political committees established or controlled by lobbyists/registrants that provide bundled contributions aggregating in excess of \$15,000 during each covered period of time.

We request that this draft be placed on the agenda for October 30, 2007.

Attachment

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FEDERAL ELECTION COMMISSION

11 CFR Parts 100 and 104

[Notice 2007- XX]

**Reporting Contributions Bundled by Lobbyists, Registrants and the PACs of
Lobbyists and Registrants**

AGENCY: Federal Election Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Federal Election Commission requests comments on proposed rules implementing new statutory provisions regarding the disclosure of information about bundled contributions provided by certain lobbyists and registrants. The proposed rules would require authorized committees, leadership PACs and political committees of political parties to disclose certain information about lobbyists and registrants and lobbyists' and registrants' political committees that provide bundled contributions. No final decisions have been made by the Commission on any of the proposed regulations in this Notice. Further information is provided in the supplementary information that follows.

DATES: Comments must be received on or before November 30, 2007. The Commission will announce the date of a hearing at a later date. Anyone seeking to testify at the hearing must file written comments by the due date and must include in the written comments a request to testify.

1 **ADDRESSES:** All comments must be in writing, must be addressed to Ms. Amy
2 L. Rothstein, Assistant General Counsel, and must be submitted in
3 email, facsimile, or paper copy form. Commenters are strongly
4 encouraged to submit comments by email or fax to ensure timely
5 receipt and consideration. Email comments must be sent to
6 bundling07@fec.gov. If email comments include an attachment,
7 the attachment must be in Adobe Acrobat (.pdf) or Microsoft Word
8 (.doc) format. Faxed comments must be sent to (202) 219-3923,
9 with paper copy follow-up. Paper comments and paper copy
10 follow-up of faxed comments must be sent to the Federal Election
11 Commission, 999 E Street, N.W., Washington, DC 20463. All
12 comments must include the full name and postal service address of
13 the commenter or they will not be considered. The Commission
14 will post comments on its website after the comment period ends.

15 **FOR FURTHER**
16 **INFORMATION**
17 **CONTACT:**

 Ms. Amy L. Rothstein, Assistant General Counsel, or Ms. Cheryl
18 A.F. Hemsley, Attorney, 999 E Street, N.W., Washington, DC
19 20463, (202) 694-1650 or (800) 424-9530.

20 **SUPPLEMENTARY**
21 **INFORMATION:**

 The Commission is proposing changes to its rules to implement
22 section 204 of Pub. L. 110-81, 121 Stat. 735, the “Honest Leadership and Open
23 Government Act of 2007,” signed September 14, 2007. The new law amended the
24 Federal Election Campaign Act of 1971, as amended (2 U.S.C. 431 et seq.) (“the Act”)
25 by requiring certain political committees to disclose information about each lobbyist and

1 registrant, and each political committee established or controlled by a lobbyist or
2 registrant (“lobbyist/registrant PAC”¹), that forwards, or is credited with raising, two or
3 more bundled contributions aggregating in excess of \$15,000 during a specific period of
4 time.² See 2 U.S.C. 434(i) (henceforth referred to as the “new law” or “new 2 U.S.C.
5 434(i)”). The Commission uses the term “lobbyist/registrant” to refer to registrants and
6 lobbyists under the Lobbying Disclosure Act of 1995 (“LDA”).

7 The Commission proposes to implement these provisions by adding a new
8 subparagraph to 11 CFR 100.5(e) and adding a new section to the reporting rules at 11
9 CFR Part 104. The proposed reporting requirements would apply only to authorized
10 committees of Federal candidates, political committees of political parties, and political
11 committees directly or indirectly established, financed, maintained or controlled by a
12 candidate or an individual holding Federal office (“leadership PACs”³).

13 **I. Background**

14 A. The Current Statutory and Regulatory Framework

15 Currently, the Act and Commission regulations impose certain reporting and
16 recordkeeping requirements for contributions received and forwarded by any person to a
17 political committee. Each person who receives and forwards contributions to a political

¹ “PAC” is an acronym often used to refer to a political action committee other than an authorized committee or a political committee of a political party.

² As discussed *infra*, the new law requires the reporting of information about certain bundled contributions that have been “provided” to certain political committees, and defines a “bundled contribution” as a contribution that is either “forwarded” to the political committee by a lobbyist/registrant or lobbyist/registrant PAC, or that is received by the political committee from the contributor but “credited” to the lobbyist/registrant or lobbyist/registrant PAC that “raised” it. 2 U.S.C. 434(i)(1), (8)(A). To clarify that the reporting requirement does not apply only to contributions that have been provided directly to a political committee by a lobbyist/registrant or lobbyist/registrant PAC, this NPRM describes the reporting requirement as applying to lobbyist/registrants or lobbyist/registrant PACs that have either forwarded, or that have been credited with raising, bundled contributions.

³ The new law provides a definition of leadership PAC that the Commission proposed to implement as 11 CFR 100.5(e)(6) in a separate rulemaking regarding candidate travel. See 72 Fed. Reg. 59953 (October 23, 2007). The Commission assumes that a definition will be promulgated in the travel rulemaking before these disclosure rules are promulgated and thus, cites to 11 CFR 100.5(e)(6).

1 committee must also forward certain information identifying the original contributor. See
2 2 U.S.C. 432(b); 11 CFR 102.8.

3 Additionally, 2 U.S.C. 441a(a)(8) and 11 CFR 110.6 impose certain reporting and
4 recordkeeping requirements for contributions received and forwarded by persons known
5 as “conduits” or “intermediaries” to the authorized committees of Federal candidates.
6 The Commission is not proposing any changes to these rules.

7 B. Revisions to 2 U.S.C. 434(i) – Reporting Requirements

8 New 2 U.S.C. 434(i) requires authorized committees of Federal candidates,
9 leadership PACs and political committees of political parties to disclose certain
10 information about any person reasonably known by the committee to be a
11 lobbyist/registrant or lobbyist/registrant PAC that forwards, or is credited with raising,
12 two or more bundled contributions aggregating in excess of \$15,000 to the committee
13 within a “covered period” of time. 2 U.S.C. 434(i)(1), (2), (3) and (8). Reporting
14 committees must disclose the name and address of the lobbyist/registrant or
15 lobbyist/registrant PAC, the lobbyist/registrant’s employer (for individual persons), and
16 the aggregate amount of contributions bundled to the committee within the covered
17 period. 2 U.S.C. 434(i)(1).

18 **II. Proposed Revisions to 11 CFR 100.5. Political committee (2 U.S.C. 432(4),**
19 **(5), (6); 2 U.S.C. 434(i)(7)(C) and (8)(B)).**

20 Currently, 11 CFR 100.5(e) provides examples of types of political committees.
21 Proposed 11 CFR 100.5(e)(7) would add the term “lobbyist/registrant PAC” as an
22 example, and would define the term as “any political committee established or
23 controlled” by a lobbyist/registrant, as defined in proposed 11 CFR 104.22(a)(3). This

1 definition is consistent with the new law. See 2 U.S.C. 434(i)(7)(C). Political
2 committees that meet this definition would have to identify themselves as such on their
3 Statements of Organization. See 11 CFR 102.2(a)(1) (requiring each political committee
4 to disclose its name, address and type on its Statement of Organization). Further, the
5 Commission anticipates that any political committee that is already registered with the
6 Commission and that fits this proposed definition would be required to amend its
7 Statement of Organization to reflect its status as a lobbyist/registrant PAC.⁴

8 The Commission requests comments on this approach. When would a
9 nonconnected committee be considered to be “controlled” by a lobbyist/registrant? Is a
10 committee whose treasurer is a lobbyist/registrant per se “controlled” by the
11 lobbyist/registrant? What if that treasurer serves only in a ministerial or custodial
12 function?

13 As discussed further in Part III, the law requires disclosure of bundling by either
14 an individual who registers as a lobbyist under the LDA or a “registrant” under that Act,
15 which includes any organization that employs in-house lobbyists. Thus, the Commission
16 proposes to define “lobbyist/registrant” to include both lobbyists and registrants under the
17 LDA. Moreover, since the SSF of a corporation, labor organization or other connected
18 organization (see 11 CFR 100.6) that employs in-house lobbyists would be, by definition,
19 controlled by a registrant, the Commission proposes to include such SSFs within the
20 ambit of “lobbyist/registrant PACs.” The Commission requests comment on this
21 approach.

⁴ The Commission notes that this same identification requirement would apply to political committees that meet the definition of leadership PAC. See 11 CFR 100.5(e)(6). In conjunction with this rulemaking, the Commission anticipates amending FEC Form 1, the Statement of Organization, to include both “lobbyist/registrant PAC” and “leadership PAC” as types of political committees.

1 The Commission currently requires committees to identify themselves as only one
2 type of committee. See FEC Form 1 Statement of Organization, Question 5 (“Type of
3 Committee (Check One)”). How should an organization that is both an SSF and a
4 “lobbyist/registrant PAC” identify itself on FEC reports? Should one type of registration
5 control? Alternatively, should the Commission allow committees to identify themselves
6 as more than one type of committee? Of note, allowing multiple registrations could
7 affect the Commission’s current disclosure processes.

8 The Commission also requests comments on the placement of the definition of
9 “lobbyist/registrant PAC” in 11 CFR 100.5(e), “examples of political committees,” as
10 opposed to placing this definition in proposed 11 CFR 104.22.

11 **III. Proposed New 104.22. Disclosure of Bundling by Lobbyist/Registrants (2**
12 **U.S.C. 434(i)).**

13 To implement the new disclosure requirements, the Commission is proposing to
14 add new 11 CFR 104.22 to its reporting regulations.

15 A. Definitions

16 1. Reporting committee

17 New 2 U.S.C. 434(i) adds reporting requirements for three types of political
18 committees: authorized committees of a candidate, leadership PACs, and political party
19 committees. 2 U.S.C. 434(i)(6). Proposed 11 CFR 104.22(a)(1) would define the term
20 “reporting committee” to encompass these three types of political committees, which are
21 defined in 11 CFR 100.5. The Commission requests comments on this new term,
22 “reporting committee.”

23 2. Covered Period

1 New 2 U.S.C. 434(i) requires that reporting committees disclose information
2 about any lobbyist/registrant or lobbyist/registrant PAC that forwards, or is credited with
3 raising for the committee, two or more bundled contributions aggregating in excess of
4 \$15,000 during any “covered period.” 2 U.S.C. 434(i)(1), (2), (3) and (8). It defines
5 “covered period” as January 1 through June 30, July 1 through December 31 “and . . . any
6 reporting period applicable to the committee under [2 U.S.C. 434] during which any
7 [lobbyist/registrant or lobbyist/registrant PAC] provided two or more bundled
8 contributions to the committee in an aggregate amount greater than [\$15,000].” 2 U.S.C.
9 434(i)(2).

10 The new law also provides the Commission with the authority to require reporting
11 committees filing their campaign finance reports more frequently than on a quarterly
12 basis⁵ to disclose information about lobbyist/registrants who provide bundled
13 contributions in excess of \$15,000 on a quarterly basis, rather than monthly. See 2
14 U.S.C. 434(i)(5)(A).

15 The Commission presents both a proposed and an alternative definition of
16 “covered period.” Each definition would exercise the Commission’s statutory authority
17 to place monthly filers on the same schedule as committees that file quarterly campaign
18 finance reports. 2 U.S.C. 434(i)(5)(D). For ease of public consumption of disclosed
19 bundled contributions, consistent disclosure periods would provide the public with semi-
20 annual aggregate snapshots for all categories of filers. Does the language in 2 U.S.C.

⁵ National committees of political parties (including the national congressional campaign committees) must report monthly in all calendar years. See 2 U.S.C. 434(a)(4)(B); 11 CFR 104.5(c)(4). State, district and local committees of political parties are required to file monthly if they exceed certain levels of Federal election activity. See 2 U.S.C. 434(e)(4); 11 CFR 300.36(c). Further, some authorized committees of presidential candidates are required to file monthly during presidential election years. See 2 U.S.C. 434(a)(3); 11 CFR 104.5(b).

1 434(i)(5)(A) permit the Commission also to require aggregate semi-annual disclosure
2 from these monthly filers? Should the Commission, instead, not exercise its statutory
3 authority, and require monthly filers to disclose information about bundled contributions
4 on a monthly and semi-annual basis? See 2 U.S.C. 434(i)(2).

5 a. Proposed Definition of “Covered Period”

6 Under proposed 11 CFR 104.22(a)(2)(i), the term “covered period” would be the
7 semi-annual periods of January 1 through June 30 and July 1 through December 31.
8 Additionally, proposed 11 CFR 104.22(a)(2)(ii) provides that in any calendar year in
9 which a reporting committee is required to file or files monthly or quarterly campaign
10 finance reports, the covered period would also include the quarterly periods of January 1
11 through March 31 and July 1 through September 30 if, during those periods, a
12 lobbyist/registrant or a lobbyist/registrant PAC provided two or more bundled
13 contributions to the reporting committee which aggregate in excess of \$15,000.

14 Thus, under the proposed rule, any committee that receives more than \$15,000 in
15 bundled contributions from a lobbyist/registrant or lobbyist/registrant PAC during the
16 first or third calendar quarter would have to disclose information about the bundler twice:
17 once for the report covering the quarter during which the committee received the bundled
18 contributions from a lobbyist/registrant or lobbyist/registrant PAC, and again at the end
19 of the six-month period.

20 For example, if lobbyist/registrant PAC Z is credited with having raised \$20,000
21 for a reporting committee in the first quarter, then the reporting committee would disclose
22 lobbyist/registrant PAC Z in its report covering the first quarter as having provided
23 \$20,000 in bundled contributions to the committee. If, in the second quarter, the

1 reporting committee credits lobbyist/registrant PAC Z with having raised another \$5,000,
2 the reporting committee would disclose on its semi-annual report the entire \$25,000 in
3 bundled contributions provided by lobbyist/registrant PAC Z in the first two calendar
4 quarters. The Commission requests comments on whether this is the correct reading of
5 the statutory requirements, and whether this duplicative reporting could lead to the
6 mistaken impression that lobbyist/registrant PAC Z provided \$45,000 rather than \$25,000
7 to the committee during the first two calendar quarters.

8 The Commission further requests comments on whether there is a statutory basis
9 on which the Commission might consider some means of eliminating this duplicative
10 reporting. For example, is there a statutory basis for the Commission to consider
11 exempting reporting committees from having to disclose semi-annually information
12 about lobbyist/registrants or lobbyist/registrant PACs providing bundled contributions if
13 the information was already fully disclosed in a prior report filed with the Commission?
14 Would this approach be confusing or result in the appearance of over- or under-reporting
15 the contributions bundled by lobbyist/registrants or lobbyist/registrant PACs?

16 Is the Commission's interpretation consistent with the requirement in the new law
17 that the Commission "provide for the broadest possible disclosure of activities described
18 in this subsection?"

19 b. Alternative Definition of Covered Period

20 In the alternative, the Commission requests comments on the following definition
21 of "covered period." Alternative 11 CFR 104.22(a)(2)(i) would provide that in any
22 calendar year in which a reporting committee is required to file or files reports on a
23 quarterly or monthly basis under 11 CFR 104.5, the covered period would be defined as

1 quarterly periods of January 1 through March 31, April 1 through June 30, July 1 through
2 September 30, and October 1 through December 31. Under alternative 11 CFR
3 104.22(a)(2)(ii), in any calendar year in which a reporting committee files semi-annual
4 reports, the covered period would also include the semi-annual periods of January 1
5 through June 30 and July 1 through December 31.

6 For example, if lobbyist/registrant PAC Z is credited with having raised \$20,000
7 in the first quarter for a reporting committee that files on a monthly or quarterly basis,
8 then the reporting committee would disclose lobbyist/registrant PAC Z in its report
9 covering the first quarter as having provided \$20,000 in bundled contributions to the
10 committee. If, in the second quarter, the reporting committee credits lobbyist/registrant
11 PAC Z with having raised another \$5,000, the reporting committee would not disclose on
12 its second quarter reports any bundled contributions provided by lobbyist/registrant PAC
13 Z because the second quarter bundled contributions fell below the \$15,000 threshold for
14 the second quarter reporting period. No aggregate semi-annual reporting would be
15 required. The Commission requests comments on whether this is a permissible reading
16 of the statutory requirements, and whether this alternative could lead to the under
17 reporting of contributions that take place across quarterly reporting periods, but within
18 the semi-annual period. For example, under this alternative, a lobbyist/registrant or
19 lobbyist/registrant PAC could provide \$15,000 in bundled contributions to a reporting
20 committee during each calendar quarter and the reporting committee would not have
21 triggered the disclosure requirement under the new law.

22 Additionally, in lieu of either the proposed rule or the alternative, the Commission
23 seeks comment on whether reporting committees should report both semi-annual and

1 quarterly information at the end of each semi-annual period. If, in the example above, in
2 the second quarter lobbyist/registrant PAC Z provides the reporting committee with
3 \$25,000 (having also provided \$20,000 in bundled contributions in the first quarter),
4 should the reporting committee disclose that it received \$45,000 for the semi-annual
5 period, and also disclose that it received \$25,000 for the second quarter period?

6 3. Lobbyist/Registrant and Lobbyist/Registrant PAC

7 The new law applies only to contributions bundled by “a current registrant under
8 section 4(a) of the [LDA] [2 U.S.C. 1603(a)];⁶ an individual who is listed on a current
9 registration filed under section 4(b)(6) of such Act [2 U.S.C. 1603(b)(6)] or a current
10 report under section 5(b)(2)(C) of such Act [2 U.S.C. 1604(b)(2)(C)]; or a political
11 committee established or controlled by such a registrant or individual.” 2 U.S.C.
12 434(i)(7).

13 Proposed 11 CFR 104.22(a)(3) would create a new term, “lobbyist/registrant,” to
14 encompass both current registrants and individuals listed on a current registration or
15 report filed under the LDA. As discussed above, the Commission is proposing to add a
16 definition of “lobbyist/registrant PAC” at 11 CFR 100.5(e)(7).

17 3. Bundled Contributions

18 Proposed 11 CFR 104.22(a)(4)(i) and (ii) would implement new 2 U.S.C.
19 434(i)(8)(A) by defining the term “bundled contribution” as any contribution that a
20 lobbyist/registrant or lobbyist/registrant PAC forwards to the reporting committee from
21 the contributor, or that the reporting committee receives from the contributor but credits

⁶ The websites of the Secretary of the Senate and the Clerk of the House of Representatives provide the following guidance regarding who is a “registrant”: A lobbying firm or an organization employing in-house lobbyists that files a registration pursuant to Section 4 of the Lobbying Disclosure Act of 1995. See http://www.senate.gov/legislative/common/briefing/lobby_disc_briefing.htm#3; http://lobbyingdisclosure.house.gov/lda_guide.html.

1 to the lobbyist/registrant or lobbyist/registrant PAC through records, designations, or
2 other means of recognizing that a certain amount of money has been raised by the
3 lobbyist/registrant or lobbyist/registrant PAC.

4 Under proposed 11 CFR 104.22(a)(4)(i), forwarded contributions would satisfy
5 the proposed definition of “bundled contributions” regardless of whether the bundler
6 receives credit from the reporting committee. Would it be helpful to the regulated
7 community for the Commission to define the term “forwarded” in the rule as, for
8 instance, “arranging or causing the physical or electronic delivery or transmission of a
9 contribution”?

10 Under proposed 11 CFR 104.22(a)(4)(ii), a contribution must be both received by
11 the reporting committee and credited to a lobbyist/registrant or lobbyist/registrant PAC to
12 satisfy proposed 11 CFR 104.22(a)(4)(ii). The mere crediting of a contribution to a
13 lobbyist/registrant or lobbyist/registrant PAC would not satisfy proposed 11 CFR
14 104.22(a)(4)(ii) if the contribution is not received. In the alternative, should the amount
15 credited control? With respect to these contributions, should the rule apply to in-kind
16 contributions as well?

17 Proposed 11 CFR 104.22(a)(4)(iii) states that bundled contributions do not
18 include contributions from the personal funds of the bundling person or that person’s
19 spouse. This provision would be consistent with the new law, which excludes
20 contributions made to the reporting committee by the lobbyist/registrant or
21 lobbyist/registrant’s spouse from counting towards the \$15,000 reporting threshold. See
22 2 U.S.C. 434(i)(3)(A).

1 Proposed 11 CFR 104.22(a)(5) provides that the term “candidate involved”
2 means, for authorized committees, the candidate for whom the committee is authorized;
3 and for leadership PACs, the candidate or individual holding Federal office who directly
4 or indirectly establishes, maintains, finances or controls the leadership PAC. This is
5 consistent with the language of the new law in describing who would credit, designate or
6 otherwise recognize a lobbyist/registrant or lobbyist/registrant PAC with having raised
7 contributions in excess of \$15,000 during the covered period. See 2 U.S.C.
8 434(i)(8)(A)(ii). The Commission requests comments on whether the proposed provision
9 would be helpful in providing guidance to the regulated community.

10 As noted above, the proposed definition of “lobbyist/registrant” includes current
11 registrants under section 4(a) of the LDA (2 U.S.C. 1603(a)). Such registrants are
12 primarily organizations that employ one or more lobbyists.

13 Does the new law cover bundled contributions provided by employees and agents
14 of organizations that are registrants, when those individuals are not themselves
15 lobbyist/registrants? Can an organization that is prohibited from making contributions,
16 such as a corporation or a labor organization, but nonetheless is a registrant, be credited
17 with having raised contributions?

18 There is seemingly some incongruity in statements made by some of the new
19 law’s supporters and the section-by-section analysis of the legislation provided by the
20 three principal Senate authors of the bill (the “section-by-section analysis”). See 153
21 CONG. REC. S10709 (daily ed. August 2, 2007). For example, in a colloquy on the
22 Senate floor, Senator Feingold and Senator Obama indicated that the disclosure
23 requirement would be triggered by contributions bundled by an employee of a lobbyist, if

1 that employee is acting as an agent of the lobbyist, even if the employee is not listed on a
2 current registration or report filed under the LDA. 153 CONG. REC. S10699 (daily ed.
3 Aug. 2, 2007) (statements of Sen. Feingold and Sen. Obama). On the other hand, the
4 section-by-section analysis states that the statute “covers only contributions credited to
5 registered lobbyists.” 153 CONG. REC. S10709 (daily ed. Aug. 2, 2007). The
6 Commission requests comments on whether the new requirements should cover
7 employees who are agents of lobbyist/registrants or lobbyist/registrant PACs, even if
8 such individuals are not listed as registered lobbyists under the LDA. How should the
9 Commission give content to the statutory requirement that bundling by registrant
10 organizations be disclosed?

11 In addition, how should the new law be applied with regard to crediting multiple
12 lobbyist/registrants or lobbyist/registrant PACs involved in a single fundraiser? In a
13 statement on the Senate floor, Senator Feingold stated that “when two or more lobbyists
14 are jointly involved in providing the same bundled contributions – as for instance, in the
15 case of a fundraising event co-hosted by two or more lobbyists – then each lobbyist is
16 responsible for and should be treated as providing the total amount raised at the event for
17 purposes of applying the applicable threshold to the funds raised by that lobbyist” and for
18 reporting purposes. 153 CONG. REC. S10699 (daily ed. August, 2, 2007) (statement of
19 Sen. Feingold). Thus, the Commission requests comments on how multiple hosts of a
20 fundraiser should be credited by the reporting committee. For example, if three
21 lobbyist/registrants jointly co-host a fundraiser that raises \$20,000 in contributions for
22 Senator X, should each of the three co-hosts be deemed to have raised the entire \$20,000
23 for reporting purposes? Would this approach be misleading or inaccurate from a

1 disclosure perspective? Should the sum total instead be prorated among the three co-
2 hosts?

3 Proposed 11 CFR 104.22(a)(6) would explain the meaning of “designations or
4 other means of recognizing.” The proposed rule provides that “designations or other
5 means of recognizing” a lobbyist/registrant or lobbyist/registrant PAC’s fundraising
6 would include “titles based on levels of fundraising, access to events reserved exclusively
7 for those who generate a certain level of contributions, or similar benefits provided as a
8 reward for successful fundraising.” The Commission requests comments on this
9 approach and also requests other examples of records, designations or other means of
10 recognizing a lobbyist/registrant or lobbyist/registrant PAC’s fundraising. Should service
11 by an individual on a host committee of a fundraising event serve as “designation or other
12 means of recognizing that a certain amount of money has been raised by the person”?
13 Should honorary titles within the reporting committee be deemed a “designation or other
14 means of recognizing that a certain amount of money has been raised by the person”?
15 See 153 Cong. Rec. 510699 (daily ed. Aug. 2, 2007) (statement of Sen. Obama); *id.* at
16 510709. Would such an approach encompass individuals who have no actual role in
17 fundraising? Further, would any “other means of recognizing” have to be designated in
18 writing?

19 The legislative history provides other guidance that the Commission has not
20 proposed as a part of new 11 CFR 104.22(a)(4). In a statement on the Senate floor,
21 Senator Feingold noted that a reporting committee must know that a lobbyist/registrant or
22 lobbyist/registrant PAC has raised a certain amount, not just be generally aware that the

1 lobbyist/registrant or lobbyist/registrant PAC has been fundraising. Should the
2 Commission include a similar interpretation in the concept of credited?

3 B. Reporting Requirement

4 1. Required disclosure

5 Proposed 11 CFR 104.22(b), consistent with the new law, requires reporting
6 committees to disclose on a new form certain information about any person reasonably
7 known to be a lobbyist/registrant or lobbyist/registrant PAC that forwards, or is credited
8 with raising, two or more bundled contributions in excess of \$15,000 to the reporting
9 committee during the covered period. 2 U.S.C. 434(i)(1). Specifically, the reporting
10 committee must disclose the name of the lobbyist/registrant or lobbyist/registrant PAC,
11 the address of the lobbyist/registrant or lobbyist/registrant PAC, the employer of the
12 lobbyist/registrant who provided the bundled contributions (for individual
13 lobbyist/registrants), and the amount of bundled contributions provided during the
14 covered period. Id.

15 In conjunction with this rulemaking, the Commission intends to create a new form
16 for disclosing information about lobbyists and lobbyist PACs that provide bundled
17 contributions. The form would be filed with the Form 3 (House and Senate authorized
18 committees), Form 3P (Presidential authorized committees) and Form 3X (leadership
19 PACs and political party committees) following the appropriate covered period.

20 2. Reasonably Known To Be

21 The new law requires the disclosure of information about a person who forwards,
22 or who is credited with having raised, two or more bundled contributions aggregating in
23 excess of \$15,000 during the covered period if the person is “reasonably known by the

1 [reporting] committee to be” a lobbyist/registrant or a lobbyist/registrant PAC. 2 U.S.C.
2 434(i)(1). The new law requires the Commission to “provide guidance to [reporting]
3 committees with respect to whether a person is reasonably known by a committee to be”
4 a lobbyist/registrant or lobbyist/registrant PAC. 2 U.S.C. 434(i)(5)(B). In so doing, the
5 Commission is to include a “requirement that [reporting] committees consult the websites
6 maintained by the Secretary of the Senate and the Clerk of the House of Representatives
7 containing information filed pursuant to the Lobbying Disclosure Act of 1995.” 2 U.S.C.
8 434(i)(5)(B).

9 Proposed 11 CFR 104.22(b)(2) would provide guidance with respect to how a
10 reporting committee is to comply with these requirements. This paragraph directs the
11 committee to consult the websites maintained by the Clerk of the House of
12 Representatives, the Secretary of the Senate, and the Federal Election Commission in
13 order to determine whether a person is identified on a filing under the LDA or the Act as
14 a registrant, a lobbyist, or a political committee established or controlled by a registrant
15 or lobbyist.

16 The Commission seeks comment on these proposed regulations. Does the
17 regulatory text adequately implement the statutory requirements? May the Commission
18 require committees to consult the Commission’s website for information regarding
19 registration of lobbyist/registrant PACs, since that information is not currently available
20 on the websites of the Secretary of the Senate or the Clerk of the House of
21 Representatives?

22 The Commission requests comments on what other guidance the Commission
23 might issue as to how a reporting committee can reasonably know that a bundler of

1 contributions is a lobbyist/registrant or lobbyist/registrant PAC. What other steps could
2 the Commission take to make information regarding lobbyist/registrant PACs more easily
3 accessible?

4 C. Where to file

5 Under current 11 CFR Part 105, authorized committees of candidates for the
6 House of Representatives, the principal campaign committees of Presidential candidates,
7 and any other political committees that support such candidates must file their regular
8 campaign finance reports with the Commission. See 11 CFR 105.1, 105.3 and 105.4.
9 Authorized committees of candidates for the Senate and any other political committees
10 that support only Senate candidates must file their reports with the Secretary of the
11 Senate. See 11 CFR 105.2. Proposed 11 CFR 104.22(c) would require the form required
12 by the new law to be filed in accordance with 11 CFR Part 105. The Commission
13 requests comments on this proposal.

14 D. When to file

15 New 2 U.S.C. 434(i)(1) requires reporting committees to file a form listing
16 information about each lobbyist/registrant or lobbyist/registrant PAC with “the first
17 report required to be filed under this section after each covered period” in which a
18 lobbyist/registrant or lobbyist/registrant PAC provided bundled contributions exceeding
19 \$15,000. 2 U.S.C. 434(i)(a)(1). As noted above, the proposed rule defines “covered
20 period” as the semi-annual periods of January 1 through June 30 and July 1 through
21 December 31. Additionally, proposed 11 CFR 104.22(a)(2)(ii) provides that in any
22 calendar year in which a reporting committee is required to file or files monthly or
23 quarterly campaign finance reports under 11 CFR 104.5, the covered period would also

1 include the quarterly periods of January 1 through March 31 and July 1 through
2 September 30 if, during those periods, a lobbyist/registrant or a lobbyist/registrant PAC
3 provided two or more bundled contributions to the reporting committee which aggregate
4 in excess of \$15,000. Thus, proposed 11 CFR 104.22(d) would require a reporting
5 committee to file a form semi-annually in every calendar year, and in the calendar
6 quarters of January 1 through March 31 and July 1 through September 30 if any
7 lobbyist/registrant or lobbyist/registrant PAC forwarded, or was credited with having
8 raised, two or more bundled contributions aggregating in excess of \$15,000 during those
9 calendar quarters.

10 The Commission requests comments on proposed 11 CFR 104.22(d).

11 As discussed above, the alternative definition of “covered period” would require
12 reporting committees to disclose information about lobbyist/registrants or
13 lobbyist/registrant PACs that provide bundled contributions on a slightly different
14 schedule than that under the proposed rule. Under alternative 11 CFR 104.22(a)(2)(i),
15 monthly and quarterly filers would be required to file, concurrently with their campaign
16 finance reports filed in April, July, October and January, a form listing any
17 lobbyist/registrant or lobbyist/registrant PAC that provided bundled contributions
18 aggregating in excess of \$15,000 during the previous calendar quarter. Further, in any
19 calendar year in which a reporting committee files its campaign finance reports on a
20 semi-annual basis, the committee would concurrently file its form disclosing information
21 about any lobbyist/registrant or lobbyist/registrant PAC that provided bundled
22 contributions in excess of \$15,000 during the semi-annual covered period. The

1 Commission requests comments on the effect of the alternative “covered period” on
2 report timing.

3 Reporting Hypotheticals

4 The following examples illustrate how proposed 11 CFR 104.22 would interact
5 with the Commission’s existing reporting requirements for forwarded contributions.

6 The first hypothetical involves the authorized committee of a candidate as the
7 reporting committee and thus, also invokes 11 CFR 110.6 regarding earmarking
8 contributions to authorized committees, if the person earmarking the contributions
9 qualifies as a “conduit” under that section.

10 The second hypothetical involves either a leadership PAC or a political party
11 committee as the reporting committee. This hypothetical would not invoke 11 CFR
12 110.6 because that section applies only to contributions earmarked for an authorized
13 committee.

14 **Hypothetical Example 1:**

15 Facts.

16 Candidate A’s authorized committee files campaign finance reports on a quarterly
17 basis.

18 On February 20, Lobbyist/Registrant Z delivers a \$30,000 check to Candidate A’s
19 treasurer, representing fifteen \$2,000 contributions that Lobbyist/Registrant Z collected
20 on February 15 on behalf of Candidate A. Lobbyist/Registrant Z also provides a list of
21 each contributor’s name, mailing address, employer and occupation, and the date
22 received by Lobbyist/Registrant Z as required under 11 CFR 110.6(c)(1)(iii) and (iv).

1 On March 21, Lobbyist/Registrant Z, although he does not occupy a significant
2 position in Candidate A’s campaign,⁷ hosts a fundraiser on Candidate A’s behalf, at
3 , which Candidate A makes a speech. At the fundraiser, five contributors hand checks
4 totaling \$10,000 directly to Candidate A.

5 On June 5, Lobbyist/Registrant Z delivers to the authorized committee five checks
6 totaling \$6,000 that he collected on Candidate A’s behalf during the preceding week.

7 Reporting Requirements.

8 1. On the committee’s first quarterly campaign finance report, it must:

9 a. Pursuant to 11 CFR 110.6, report:

10 i. The name, mailing address, occupation and employer of
11 Lobbyist/Registrant Z.

12 ii. As a memo entry, the total amount of contributions forwarded
13 by Lobbyist/Registrant Z (\$30,000), the date received by the
14 committee (February 20) and a notation of whether the
15 Lobbyist/Registrant’s contribution limit was affected or not
16 pursuant to 11 CFR 110.6(d).

17 iii. The name, mailing address, employer, occupation of each
18 contributor, as well as the date that Lobbyist/Registrant Z
19 received the contributions (February 15) and a notation that it
20 was earmarked through him.

21 This reporting requirement is triggered by Lobbyist/Registrant Z’s
22 having acted as a conduit under 11 CFR 110.6 for the contributions

⁷ An individual who occupies a significant position within a campaign may be exempt from the earmarking regulations. See 11 CFR 110.6(b)(2)(i)(E).

- 1 that he received on February 15 and delivered on February 20, because
2 he physically forwarded the contributions to the authorized committee.
- 3 b. Pursuant to 11 CFR 104.3, report for each of the five contributors who
4 made contributions at the March 21 fundraiser: The person's name,
5 mailing address, occupation, and employer, date received (March 21)
6 and amounts, itemizing the contributions as necessary under 11 CFR
7 104.3.
- 8 c. Pursuant to proposed 11 CFR 104.22, report the name, address and
9 employer of Lobbyist/Registrant Z, as well as the total amount
10 bundled by Lobbyist/Registrant Z, \$40,000, during the covered period.
11 This reporting requirement is triggered because Lobbyist/Registrant Z
12 forwarded, or was credited with raising, more than \$15,000 in
13 contributions during the committee's reporting period (the calendar
14 quarter).
- 15 2. On the authorized committee's second quarterly campaign finance report, it must:
- 16 a. Pursuant to 11 CFR 110.6, report:
- 17 i. The name, mailing address, occupation and employer of
18 Lobbyist/Registrant Z.
- 19 ii. As a memo entry, the total amount of contributions forwarded to
20 the committee by Lobbyist/Registrant Z (\$6,000) and the date
21 received by the authorized committee (June 5).
- 22 iii. The name, mailing address, employer and occupation of each
23 contributor, the date each contribution was received by

1 Lobbyist/Registrant Z and whether the contributions affected
2 Lobbyist/Registrant Z's contribution limits pursuant to 11 CFR
3 110.6(d).

4 Lobbyist/Registrant Z is a conduit under 11 CFR 110.6, because he
5 collected and forwarded the contributions to the authorized committee.
6 Thus, the authorized committee disclosed his contributions in a
7 manner similar to hypothetical 1.a., above.

8 b. Pursuant to proposed 11 CFR 104.22, file a form disclosing the
9 lobbyist/registrant's name, address and employer, as well as the
10 aggregate amount of bundled contributions that the committee
11 received from or credited to Lobbyist/Registrant Z during the six-
12 month covered period (\$46,000). While the aggregate amount of
13 contributions forwarded or raised by and credited to
14 Lobbyist/Registrant Z did not exceed \$15,000 during the committee's
15 second quarterly reporting period, the aggregate amount of bundled
16 contributions provided by Lobbyist/Registrant Z during the January 1
17 through June 30 semi-annual covered period, \$46,000, does exceed the
18 \$15,000 reporting threshold for that covered period.

19 **Hypothetical Example 2**

20 Facts

21 A leadership PAC files campaign finance reports on a monthly basis.⁸

22 On February 20, lobbyist/registrant PAC X delivers a check to the leadership
23 PAC for \$30,000, representing contributions to the leadership PAC from fifteen

⁸ The same hypothetical applies to a political party committee.

1 individual contributors, along with information about each contributor as required under
2 11 CFR 110.6(c)(1)(iii) and (iv).

3 On March 12, lobbyist/registrant PAC X hosts a fundraiser at which the
4 “candidate involved” with the leadership PAC makes a speech. Between March 13 and
5 March 31, the leadership PAC receives 6 checks aggregating to \$12,000. Each check
6 notes that the contributor is helping the leadership PAC because of the speech given at
7 the March 12 fundraiser. The leadership PAC thanks the contributors and also sends a
8 note to lobbyist/registrant PAC X recognizing it for having raised the \$12,000.

9 Reporting Requirements

10 1. On the leadership PAC’s campaign finance report covering February, it must:

- 11 a. Pursuant to 11 CFR 104.3 and 104.8, report for each of the fifteen
12 contributors who made the contributions delivered by
13 lobbyist/registrant PAC X on March 20: The person’s name, mailing
14 address, occupation, employer, and date of receipt by
15 lobbyist/registrant PAC X, itemizing the contributions as necessary
16 under 104.8.

17 2. On the leadership PAC’s campaign finance report covering March, it must:

- 18 a. Pursuant to 11 CFR 104.3 and 104.8, report for each of the six
19 contributions that make up the \$12,000 that the leadership PAC
20 received directly from contributors and credited to lobbyist/registrant
21 PAC X: The person’s name, mailing address, occupation, employer,
22 and the date of receipt by lobbyist/registrant PAC X itemizing the
23 contributions as necessary under 11 CFR 104.8.

1 b. Pursuant to proposed 11 CFR 104.22, include a separate form
2 disclosing lobbyist/registrant PAC X's name and address, and, the
3 total amount of bundled contributions that lobbyist/registrant PAC X
4 provided to the leadership PAC during the first calendar quarter. This
5 form would be required because the aggregate amount of bundled
6 contributions provided by lobbyist/registrant PAC X exceeds \$15,000
7 during the unauthorized committee's covered period of January 1
8 through March 31.

9 The Commission requests comments on these hypotheticals.

10 E. Recordkeeping

11 Current Commission regulations implement certain statutory recordkeeping
12 requirements that also apply to certain bundled contributions. For example, committees
13 must keep a record and account of each contribution exceeding \$50 for three years after
14 filing the report to which the record or account relates. See 2 U.S.C. 432(c)(2) and (d); 11
15 CFR 102.9(a) and (c). In addition, any person who receives and forwards contributions
16 to any political committee must also forward certain information about the original
17 contributor. See 2 U.S.C. 432(c) and 434a(a)(8); 11 CFR 102.8(c). Any authorized
18 committee that receives contributions forwarded by a "conduit" is subject to additional
19 recordkeeping and reporting requirements. See 2 U.S.C. 434a(a)(8); 11 CFR 110.6(c).

20 Therefore, the Commission proposes new 11 CFR 104.22(e), which refers to the
21 existing recordkeeping requirements in Commission regulations and also requires
22 reporting committees to maintain for three years records of information about any
23 lobbyist/registrant or lobbyist/registrant PAC that forwards, or is credited with raising,

1 two or more bundled contributions aggregating in excess of \$15,000 during any covered
2 period. These records would include the name and address of the lobbyist/registrant or
3 lobbyist/registrant PAC, the employer of the lobbyist/registrant (if an individual), the
4 dates contributions are received and forwarded, and the aggregate amount of
5 contributions bundled for each covered period.

6 The Commission would urge reporting committees to begin keeping records of
7 lobbyist/registrants or lobbyist/registrant PACs who forward, or are credited with raising,
8 bundled contributions as of January 1, 2008. Any rules promulgated by the Commission
9 will likely become effective in early 2008, making the first semi-annual reporting period
10 cover January 1 through June 30, 2008.

11 The Commission requests comments on this approach.

12 F. Price Index Increase

13 New 2 U.S.C. 434(i)(3)(b) requires that the \$15,000 disclosure threshold be
14 indexed for inflation annually, using the Consumer Price Index as verified by the
15 Secretary of Labor. The proposed rule at 11 CFR 104.22(f) would require that the
16 \$15,000 disclosure threshold be indexed in the same manner as certain contribution limits
17 under the Act and Commission regulations. See 2 U.S.C. 441a(c) and 11 CFR 110.17.
18 The Commission proposes regulatory language that is identical to that already in portions
19 of 11 CFR 110.17, but proposes placing the new requirement in new 11 CFR 104.22
20 rather than in 11 CFR 110.17 because the dollar amount in this instance is merely a
21 threshold for disclosure rather than a contribution limit covered under 11 CFR Part 110.
22 The Commission requests comments on this approach.

1 The Commission also requests comments on the timing of the application of the
2 indexing for inflation requirement. New 2 U.S.C. 434(i) provides that the indexing
3 requirement “shall apply” to the reporting threshold “[i]n any calendar year after 2007.”
4 2 U.S.C. 434i(3)(B). The new law also provides, however, that 2 U.S.C. 434(i) will go
5 into effect “with respect to reports filed . . . after the expiration of the 3-month period
6 which begins on the date that the regulations required to be promulgated [under new 2
7 U.S.C. 434(i)], become final.” The Commission expects that these proposed rules will
8 become final in early 2008, and that the new disclosure requirements will apply to reports
9 filed three months later. Thus, the first semi-annual reporting period would be January 1
10 through June 30, 2008, and the first quarterly reporting period would be April through
11 June, 2008.

12 Given that 2008 is a “calendar year after 2007,” should the reporting threshold be
13 indexed in 2008? If so, then the effective reporting threshold would never be \$15,000;
14 rather, it would be \$15,000 in 2006 (the base period) dollars, as indexed for inflation in
15 2008. The Commission requests comments on this interpretation of the new law, which
16 is not included in the proposed rule.

17 **Certification of No Effect Pursuant to 5 U.S.C. 605(b) (Regulatory Flexibility Act)**

18 The attached proposed rules, if promulgated, would not have a significant
19 economic impact on a substantial number of small entities. The basis for this
20 certification is that few, if any, small entities would be affected by these proposals, which
21 apply only to Federal candidates and their campaign committees, political committees
22 established, financed, maintained or controlled by Federal candidates or individuals
23 holding Federal office, and political committees of political parties. Authorized

1 committees of Federal candidates would not be considered small entities under the
2 definition at 5 U.S.C. 601(6). Leadership PACs established, financed, maintained or
3 controlled by Federal candidates or individuals holding Federal office also would not
4 qualify as small entities. Such committees, while established by an individual, are not
5 independently owned and operated because they are not financed and controlled by a
6 small identifiable group of individuals; rather, they rely on contributions from a variety of
7 persons to fund the committee's activities. Political committees representing the
8 Democratic and Republican parties have a major controlling influence within the political
9 arena and are thus dominant in their field. However, to the extent that any party
10 committees representing major or minor political parties or any other political
11 committees might be considered "small organizations," the number that would be
12 affected by this rule is not substantial.

13 The proposed rules also would not impose any additional restrictions. Instead, the
14 proposed rules would only require disclosure of further information already held by the
15 political committees affected. Therefore, the proposed rules would not have a significant
16 economic impact on a substantial number of small entities.

17 **List of Subjects**

18 11 CFR Part 100

19 Elections.

20

21 11 CFR Part 104

22 Campaign funds, political committees and parties, reporting and recordkeeping
23 requirements.

1 For the reasons set out in the preamble, the Federal Election Commission
2 proposes to amend Subchapter A of Chapter 1 of Title 11 of the Code of Federal
3 Regulations as follows:

4 **PART 100 – SCOPE AND DEFINITIONS (2 U.S.C. 431)**

5 1. The authority citation for part 100 would be revised to read as follows:

6 **Authority:** 2 U.S.C. 431, 434, and 438(a)(8), and 439a(c).

7 2. Section 100.5 would be amended by adding a new subparagraph (e)(7) to read as
8 follows:

9 **§ 100.5 Political committee (2 U.S.C. 431(4), (5), (6)).**

10 * * * * *

11 (e) The following are examples of political committees:

12 * * *

13 (7) Lobbyist/Registrant PAC means any political committee established or
14 controlled by a “lobbyist/registrant,” as that term is defined at 11 CFR
15 104.22(a)(3).

16
17 **PART 104 – REPORTS BY POLITICAL COMMITTEES AND OTHER PERSONS**
18 **(2 U.S.C. 434)**

19 3. The authority citation for part 104 would continue to read as follows:

20 **Authority:** 2 U.S.C. 431(1), 431(8), 431(9), 432(i), 434, 438(a)(8) and (b), 439a,
21 441a, and 36 U.S.C. 510.

22
23 4. Section 104.22 would be added to read as follows:

24 **§ 104.22 Disclosure of bundling by Lobbyist/Registrants (2 U.S.C. 434(i)).**

25 (a) Definitions

1 (1) Reporting committee means:

2 (i) An authorized committee of a Federal candidate as defined at 11

3 CFR 100.5(f)(1);

4 (ii) A leadership PAC as defined at 11 CFR 100.5(e)(6); or

5 (iii) A party committee as defined at 11 CFR 100.5(e)(4).

6 [Proposed definition of Covered Period]

7 (2) Covered period means:

8 (i) In any calendar year the semi-annual periods of January 1 through June 30

9 and July 1 through December 31; and

10 (ii) In any calendar year in which a reporting committee is required to file or

11 files monthly or quarterly reports pursuant to 11 CFR 104.5, the quarterly

12 periods of January 1 through March 31 and July 1 through September 30

13 if, during those periods a lobbyist/registrant or lobbyist/registrant PAC

14 provided two or more bundled contributions to the reporting committee

15 which aggregate in excess of \$15,000.

16 [Alternative Definition of Covered Period]

17 (2) Covered period means:

18 (i) In any calendar year in which a reporting committee is required to

19 file or files on a quarterly basis pursuant to 11 CFR 104.5, the

20 quarterly periods of January 1 through March 31, April 1 through

21 June 30, July 1 through September 30 and October 1 through

22 December 31; and

- 1 (ii) In any calendar year in which a reporting committee files semi-
2 annual reports pursuant to 11 CFR 104.5, the semi-annual periods
3 of January 1 through June 30 and July 1 through December 31.
- 4 (3) Lobbyist/Registrant. For purposes of this section, lobbyist/registrant means a
5 person who, at the time a contribution is forwarded to, or is received by, a
6 reporting committee, is:
- 7 (i) A current registrant under Section 4(a) of the Lobbying Disclosure
8 Act of 1995 (2 U.S.C. 1603(a)); or
- 9 (ii) An individual who is named on a current registration or current report
10 filed under Section 4(b)(6) or 5(b)(2)(C) of the Lobbying Disclosure Act
11 of 1995 (2 U.S.C. 1603(b)(6) or 1604(b)(2)(C)).
- 12 (4) Bundled contribution means any contribution:
- 13 (i) Forwarded from the contributor or contributors to the reporting committee
14 by a lobbyist/registrant or lobbyist/registrant PAC ; or
- 15 (ii) Received by the reporting committee from the contributor or
16 contributors, and that is credited by the committee, individual
17 holding a Federal office or candidate involved to a
18 lobbyist/registrant or lobbyist/registrant PAC through records,
19 designations, or other means of recognizing that a certain amount
20 of money has been raised by the lobbyist/registrant or
21 lobbyist/registrant PAC , except that
- 22 (iii) Bundled contributions do not include contributions from the

1 personal funds of the lobbyist/registrant who forwards or is
2 credited with raising the contributions or that person's spouse.

3 (5) The committee or candidate involved means: The reporting committee;
4 the candidate by whom the authorized committee is authorized; or the
5 candidate or individual holding Federal office who directly or indirectly
6 established, finances, maintains or controls the leadership PAC.

7 (6) A designation or other means of recognizing bundled contributions
8 includes titles based on levels of fundraising, access to reporting
9 committee events reserved exclusively for those who generate a certain
10 level of contributions, and events provided by a reporting committee as a
11 reward for successful fundraising.

12 (b) Reporting requirement.

13 (1) Each reporting committee must file a form listing each person reasonably known
14 by the committee to be a lobbyist/registrant or lobbyist/registrant PAC that
15 provides two or more bundled contributions (see 11 CFR 104.22(a)(4)) to the
16 reporting committee aggregating in excess of \$15,000 during the covered period.

17 Each form shall set forth:

- 18 (i) The name of the lobbyist/registrant or lobbyist/registrant PAC;
19 (ii) The address of the lobbyist/registrant or lobbyist/registrant PAC;
20 (iii) The employer of the lobbyist/registrant; and
21 (iv) The aggregate amount of bundled contributions
22 provided by the lobbyist/registrant or lobbyist/registrant PAC to
23 the reporting committee during the covered period.

- 1 (2) In order to comply with paragraph (b)(1), a reporting committee must consult the
2 websites maintained by the Clerk of the House of Representatives, the Secretary
3 of the Senate, and the Federal Election Commission to determine whether, at the
4 time a contribution was forwarded to, or received by, the reporting committee:
- 5 (i) The person was listed as a current registrant under Section 4(a) of
6 the Lobbying Disclosure Act of 1995 (2 U.S.C. 1603(a)), or
- 7 (ii) The person was an individual listed on a current registration filed
8 under Section 4(b)(6) or a current report filed under Section
9 5(b)(2)(C) of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1603
10 or 1604); or
- 11 (iii) The person identified itself as a lobbyist/registrant PAC on its Statement
12 of Organization, FEC Form 1, filed with the Commission; or
- 13 (iv) The person was listed as a political committee established or controlled by
14 a lobbyist or registrant on a report filed under Sec. 203 (a) of the Honest
15 Leadership and Open Government Act of 2007, amending the Lobbying
16 Disclosure Act of 1995 (2 U.S.C. 1604).
- 17 (c) Where to file. Reporting committees shall file either with the Secretary of the Senate
18 or with the Federal Election Commission in accordance with 11 CFR Part 105.
- 19 (d) When to file. Reporting committees must file the forms required under this section
20 with the first report required under 11 CFR 104.5 following the end of each covered
21 period.
- 22 (e) Recordkeeping. In addition to any requirements to maintain records and accounts
23 under 11 CFR 102.8, 102.9 and 110.6, each reporting committee must maintain for

1 three years after the filing of the report to which the information relates a record of
2 any bundled contributions (see 11 CFR 104.22(a)(4)) provided by a
3 lobbyist/registrant or lobbyist/registrant PAC that aggregate in excess of \$15,000 for
4 any covered period. The information required to be maintained is:

5 (1) The name and address of the lobbyist/registrant or lobbyist/registrant
6 PAC;

7 (2) The employer of the lobbyist/registrant; and

8 (3) The amount of bundled contributions provided by the lobbyist/registrant
9 or lobbyist/registrant PAC for each covered period.

10 (f) Price index increase.

11 (1) The threshold for reporting bundled contributions established in paragraph (d)(1)
12 of this section shall be increased by the percent difference between the price index
13 as defined at 11 CFR 110.17(d), as certified to the Commission by the Secretary
14 of Labor, for the 12 months preceding the beginning of the calendar year and the
15 price index base period.

16 (2) Each bundling threshold so increased shall be the threshold in effect for that
17 calendar year.

18 (3) For purposes of this paragraph (e), the term base period means calendar year
19 2006.

20 (4) Rounding of price index increases. If any amount after the increases under this
21 paragraph (e) is not a multiple of \$100, such amount shall be rounded to the
22 nearest multiple of \$100.

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Robert D. Lenhard
Chairman
Federal Election Commission

8 DATED _____

9 BILLING CODE: 6715-01-P