

AGENDA DOCUMENT NO. 02-48
APPROVED JULY 25, 2002

MINUTES OF AN OPEN MEETING
OF THE
FEDERAL ELECTION COMMISSION

WEDNESDAY, JUNE 19, 2002
AND ITS CONTINUATION ON
THURSDAY, JUNE 20, 2002 AND
SATURDAY, JUNE 22, 2002

PRESENT: David M. Mason, Chairman, presiding

 Karl J. Sandstrom, Vice Chairman

 Danny L. McDonald, Commissioner

 Bradley A. Smith, Commissioner

 Scott E. Thomas, Commissioner

 Michael E. Toner, Commissioner

 James A. Pehrkon, Staff Director

 Lawrence H. Norton, General Counsel

 Mary W. Dove, Secretary

Chairman David M. Mason called the Federal Election Commission to order in an open meeting at 10:05 A.M. on Wednesday, June 19, 2002, with a quorum present.

I. CORRECTION AND APPROVAL OF MINUTES

- A. Minutes for May 9, 2002
Agenda Document No. 02-42
- B. Minutes for May 23, 2002
Agenda Document No. 02-43

Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to approve the minutes for the open meetings of Thursday, May 9, 2002, and Thursday, May 23, 2002, as submitted in Agenda Documents No. 02-42 and No. 02-43, respectively.

The motion carried on the vote of 6-0 with Commissioners Mason, McDonald, Sandstrom, Smith, Thomas, and Toner voting affirmatively.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY

Agenda Document Nos. 02-44, 02-44-A,
02-44-B, 02-44-C, 02-44-C-1, 02-44-D,
02-44-E, and 02-44-F

Chairman Mason recognized Vice Chairman
Sandstrom, who

MOVED to suspend the rules on
the timely submission of Agenda
documents in order to consider
Agenda Document Nos. 02-44,
02-44-A, 02-44-B, 02-44-C,
02-44-C-1, 02-44-D, 02-44-E,
and 02-44-F.

The motion carried on the vote of 6-0 with
Commissioners Mason, McDonald, Sandstrom, Smith, Thomas,
and Toner voting affirmatively.

Opening statements were given by the Commissioners.
This was followed by an overview of the subject document
by General Counsel Lawrence H. Norton, who then acknowledged
the members of his staff who had worked on the final rule:
Acting Associate General Counsel Rosemary Smith,

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Attorneys Anne Weissenborn, John C. Vergelli, Rita Reimer,
Dawn Odrowski, Jonathan Levin, Mai Dinh, and Anthony Buckley.

The deliberations began with 11 CFR Part 100 (Scope
and Definitions (2 U.S.C. 431)).

Chairman Mason recognized Commissioner Toner who
offered an amendment at § 100.14. Following discussion,
the Chairman recognized Commissioner Toner, who

MOVED to amend § 100.14 (a)(b) and (c)
(State committee, subordinate committee,
district, or local committee (2 U.S.C.
431(15))), by deleting the language in Agenda
Document No. 02-44 on Page 194 beginning
at Line 11 through Page 195, Line 4, and
substituting the language in Agenda Document
No. 02-44-B, Page 1, as amended in the last
line by inserting the words "district or
local" after the word "State."

The motion carried on the vote of 6-0 with
Commissioners Mason, McDonald, Sandstrom, Smith, Thomas,
and Toner voting affirmatively.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Commissioner Smith who presented an amendment at § 100.24. At the conclusion of the discussion which followed, Commissioner Smith

MOVED to amend § 100.24 (a) (1) (i) (ii) (Federal election activity (2 U.S.C. 431(20))), by deleting the language in Agenda Document No. 02-44, on Page 195, Line 7 through Line 17, and substituting the language in Agenda Document No. 02-44-C, on Page 1, Line 1 through Line 13.

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

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The meeting recessed at 11:35 A.M. and reconvened at 11:50 A.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Vice Chairman Sandstrom who presented an amendment at § 100.24 (a) (2), (voter registration activity), as set forth in Agenda Document No. 02-44-F. Following discussion, the Chairman recognized Vice Chairman Sandstrom, who

MOVED to amend § 100.24 (a) (2)
(Federal election activity (2 U.S.C. 431(20)) by revising the language in Agenda Document No. 02-44, Page 195, Line 19, to read as follows: "person, or by other individualized means to assist them in...."

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively for the decision. Commissioners McDonald and Thomas dissented.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Vice Chairman Sandstrom who presented a proposed revision at § 100.24(a)(3)(i)(ii)(iii), (get-out-the-vote activity), as submitted in Agenda Document No. 02-44-F. A discussion followed.

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There was a recess at 1:05 P.M., and the meeting reconvened at 2:20 P.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Vice Chairman

Sandstrom, who

MOVED to amend § 100.24 (a) (3) (i) (ii) (iii)
(Federal election activity (2 U.S.C. 431(20))),
by deleting the language in Agenda Document
No. 02-44 on Page 196, Line 1 through
Line 11, and substituting the language in
Agenda Document No. 02-44-F, Page 1, Line 9
through Line 19 in lieu thereof.

The motion carried on the vote of 4-2 with
Commissioners Mason, Sandstrom, Smith, and Toner voting
affirmatively. Commissioners McDonald and Thomas dissented.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Vice Chairman Sandstrom who reviewed the proposed amendment he offered regarding voter identification and voter lists at § 100.24. Following discussion, Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to amend § 100.24 (a) (4) (Federal election activity (2 U.S.C. 431(20))), by deleting the language in Agenda Document No. 02-44 on Page 196, Lines 12 through 17, and inserting the sentence in Agenda Document No. 02-44-F on Page 1, which begins on Line 20 and ends on Line 22; and, to include the following sentence:

"This provision shall not apply to an association or similar group of candidates for State or local office or of individuals holding State or local office if the association or group engages in voter identification that refers only to one or more State or local candidates."

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

Chairman Mason recognized Commissioner Toner who stated he was withdrawing his amendment at § 100.24(a)(4), which is contained in Agenda Document No. 02-44-B on Page 2.

On behalf of Chairman Mason, Commissioner Toner

MOVED to include the following proposed language at § 100.24(b)(3) in Agenda Document No. 02-44 on Page 197 at the end of Line 23:

"A public communication that urges the recipient to contact one or more federal elected officials regarding any legislation, resolution, institutional action, or any widely discussed policy proposal, without advocating the election or defeat of a federal candidate, does not promote, support, attack or oppose."

A discussion followed.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The motion failed by a vote of 2-4 with
Commissioners Mason and Smith voting affirmatively.
Commissioners McDonald, Sandstrom, Thomas, and Toner
dissented.

Chairman Mason recognized Commissioner Smith,
who

MOVED to amend § 100.24(b)(1)
in Agenda Document No. 02-44
on Pages 196 and 197, by inserting
the language in Agenda Document
No. 02-44-C, beginning on Page 1,
Line 17 through Page 2, Line 1.

The motion failed by a vote of 3-3 with
Commissioners Mason, Smith, and Toner voting
affirmatively. Commissioners McDonald, Sandstrom,
and Thomas dissented.

There was a recess at 4:05 P.M., and the meeting reconvened at 4:20 P.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED CONTRIBUTIONS: NON-FEDERAL FUNDS OR SOFT MONEY (continued)

Chairman Mason recognized Commissioner Toner, who

MOVED to delete the language in § 100.25 (Generic campaign activity (2 U.S.C. 431(21)) in Agenda Document No. 02-44, Page 199, Lines 8, 9, and 10, and substitute Agenda Document No. 02-44-B, Page 3 in lieu thereof.

A discussion followed.

The motion carried on the vote of 5-1 with Commissioners Mason, McDonald, Sandstrom, Smith, and Toner voting affirmatively. Commissioner Thomas dissented.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Vice Chairman
Sandstrom, who

MOVED to amend § 100.24(c)(3) in
Agenda Document No. 02-44 on Page 198,
Line 20, by inserting the words
"meeting or conference" after the
word "convention."

The motion carried on the vote of 6-0 with
Commissioners Mason, McDonald, Sandstrom, Smith,
Thomas, and Toner voting affirmatively.

There was a discussion of the Internet as it
relates to public communications.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Vice Chairman
Sandstrom, who

MOVED to amend § 100.26 (Public
communication (2 U.S.C. 431(22))
in Agenda Document No. 02-44,
Page 199 by inserting the last
sentence in Agenda Document
No. 02-44-F on Page 5 to wit:

"The term public communication
shall not include communications
over the Internet."

The motion carried on the vote of 4-2 with
Commissioners Mason, Sandstrom, Smith, and Toner voting
affirmatively. Commissioners McDonald and Thomas
dissented.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Commissioner Smith,

who

MOVED to take the following actions:

- a) Amend § 100.27 (Mass mailing (2 U.S.C. 431(23))) in Agenda Document No. 02-44, Page 199, Line 19 by inserting after the word "period" the following sentence in Agenda Document No. 02-44-C, Page 2, Line 20 which reads: "A mass mailing does not include electronic mail or Internet communications."
- b) Amend § 100.28 (Telephone bank (2 U.S.C. 431(24))) in Agenda Document No. 02-44, Page 200, Line 3 after the word "period" by inserting the following sentence in Agenda Document No. 02-44-C, Page 3, Lines 19 and 20 which reads: "A telephone bank does not include electronic mail or Internet communications transmitted over telephone lines."

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

There was a recess at 5:25 P.M. and the meeting reconvened at 5:40 P.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED CONTRIBUTIONS: NON-FEDERAL FUNDS OR SOFT MONEY (continued)

Chairman Mason recognized Commissioner Smith who presented his amendments at § 102.5 (Levin funds), as set forth in Agenda Document No. 02-44-C. Mr. Joseph Stoltz of the Audit Division participated in the ensuing discussion, as well as the General Counsel's staff.

At the conclusion of the discussion, the Chairman recognized Commissioner Smith, who

MOVED to amend § 102.5 (a)(b)(c) (Organizations financing political activity in connection with Federal and non-Federal elections, other than through transfers and joint fundraisers: Accounts and Accounting) in Agenda Document No. 02-44 by deleting the language which begins on Page 200, Line 16, through Page 207, Line 13, and substituting Page 4, Line 16 through Page 13, Line 2, in Agenda Document No. 02-44-C, subject to the following amendments:

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

- a) Page 6, delete Lines 20 through 23;
- b) Page 7, delete Lines 1 through 3;
- c) Page 7, delete the sentence which
begins on Line 8 and ends on Line 9;
- d) Page 7, Lines 19 through 21, to be
revised by the Office of General
Counsel for clarity and to incorporate
the revision in the final document for
Commission consideration.

The motion carried on the vote of 4-2 with
Commissioners Mason, Sandstrom, Smith, and Toner voting
affirmatively. Commissioners McDonald and Thomas dissented.

Chairman Mason recognized Commissioner Toner who
reviewed his proposed amendment at § 106.7(d)(1). Following
discussion, the Chairman recognized Commissioner Toner, who

MOVED to amend § 106.7(d)(1) (Allocation
percentages, ratios, and record-keeping) in
Agenda Document No. 02-44 by deleting the
language on Page 236, Lines 19 through 23,
and substituting Page 4 of Agenda Document
No. 02-44-B, as amended to include the
words "and Wages" in the heading and the
last sentence.

The motion carried on the vote of 6-0.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

It was agreed without objection to incorporate
conforming amendments at § 106.7 on Pages 233 through 243
of Agenda Document No. 02-44.

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The meeting recessed at 7:10 P.M. and reconvened
at 8:15 P.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Commissioner Smith
who presented his proposed amendments at § 106.7(c)
through (d)(3), as submitted in Agenda Document
No. 02-44-E. There was discussion.

The Chairman recognized Commissioner Smith,
who

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

MOVED to amend §106.7(c) through (d)(3), (Allocation of expenses between Federal and non-Federal accounts by party committees, other than for Federal election activities) in Agenda Document No. 02-44 by deleting the language on Page 234, Line 18 through Page 240, Line 13, and substituting Pages 1 through 7 of Agenda Document No. 02-44-E, subject to the deletion of the first five lines in (d)(1) on Page 3.

The motion carried on the vote of 4-2 with
Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

Chairman Mason recognized Commissioner Smith who presented a proposed amendment at § 300.2 (Definitions).

Discussion followed. The Chairman then recognized Commissioner Smith, who

MOVED to delete § 300.2(a) (Definitions) in Agenda Document No. 02-44, beginning on Page 250, Line 14, through Page 251, Line 4, and to substitute Page 14 in Agenda Document No. 02-44-C-1 in lieu thereof.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The motion carried on the vote of 4-2 with
Commissioners Mason, Sandstrom, Smith, and Toner voting
affirmatively. Commissioners McDonald and Thomas dissented.

Chairman Mason recognized Vice Chairman Sandstrom,
who

MOVED to delete § 300.2(i) (Definitions.
Levin funds.) in Agenda Document No. 02-44
on Page 258, Lines 3 through 7, and to
substitute the language in Agenda Document
No. 02-44-F, Page 7, in lieu thereof.

The motion carried on the vote of 6-0.

The proposed amendments at § 300.2(m) and (n) were
presented by Vice Chairman Sandstrom, as set forth in Agenda
Document No. 02-44-F. There was discussion.

Chairman Mason recognized Vice Chairman Sandstrom,
who

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

MOVED to approve §§ 300.2(m) and (n),
(Definitions. To solicit and To direct,
respectively) in Agenda Document
No. 02-44 on Page 258, subject to the
following amendments:

- a) Line 13: delete the words "request or suggest or recommend," and insert the word "ask" in lieu thereof.
- b) Line 14: insert the words "or otherwise provide anything of value" after the word "funds."
- c) Lines 18 and 19: delete the words "provide the name of a candidate, political committee or organization to" and substitute the word "ask" in lieu thereof.
- d) Line 20: insert the words "or otherwise provide anything of value" after the word "funds."

The motion carried on the vote of 4-1 with
Commissioners Mason, Sandstrom, Smith, and Toner voting
affirmatively. Commissioner McDonald dissented.
Commissioner Thomas abstained.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Commissioner Toner
who stated he was withdrawing his amendment at § 300.2(e),
as submitted in Agenda Document No. 02-44-B on Page 8
through Page 12.

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The meeting recessed at 11:35 P.M. on Wednesday,
July 19, 2002, and reconvened at 10:05 A.M. on Thursday,
June 20, 2002, with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason noted the next amendment for consideration would be at § 300.10 (General prohibitions on raising and spending non-Federal funds).

Chairman Mason recognized Vice Chairman Sandstrom who reviewed his proposed amendment at § 300.10(a), as presented in Agenda Document No. 02-44-F on Page 10. A discussion followed, but no Commission action was taken.

A proposed amendment to § 300.11 was presented by Vice Chairman Sandstrom for consideration. Following discussion, Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to amend § 300.11 (Prohibitions on fundraising for and donating to certain tax-exempt organizations (2 U.S.C. 441i(d)), by deleting the language in Agenda Document No. 02-44 on Page 261 beginning at Line 18 through Page 262, and substituting the language in Agenda Document No. 02-44-F, Page 11, as amended, in lieu thereof.

The motion carried on the vote of 6-0.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Commissioner Smith
who reviewed his proposed amendment at § 300.33.

Discussion was held.

Chairman Mason recognized Commissioner Smith,
who

MOVED to amend § 300.33 (a) through (c),
(Allocation of costs of Federal election
activity) by deleting the language in
Agenda Document No. 02-44 on Page 280,
Line 7 through Page 285, Line 2, and
substituting the language in Agenda
Document No. 02-44-E, on Page 8 through
Page 12, as amended, in lieu thereof.

The motion carried on the vote of 6-0.

The Chairman recognized Commissioner Toner who
introduced his amendment at § 300.35 (Office Buildings),
as set forth in Agenda Document No. 02-44-B. Following
the ensuing discussion, Chairman Mason recognized
Commissioner Toner, who

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

MOVED to amend § 300.35 (Office Buildings) by deleting the language in Agenda Document No. 02-44 on Page 288, Line 6 through Page 291, Line 8, and substituting the language in Agenda Document No. 02-44-B, Page 13, subject to the following amendment:

After the cite "431(8)(B)(viii)" in the third sentence from the bottom insert: "designated for the purchase or construction of an office building."

The motion carried on the vote of 6-0.

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The meeting recessed at 11:45 A.M. and reconvened at 12:05 P.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Vice Chairman Sandstrom who presented his amendments at §§ 300.37 and 300.50, and

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

MOVED to approve the provisions for § 300.37 (Prohibitions on fundraising for and donating to certain tax-exempt organizations (2 U.S.C. 441i(d)) and § 300.50 (Prohibited fundraising by national, State, district, or local party committees (2 U.S.C. 441i(d))), as set forth in Agenda Document No. 02-44-F, Pages 24 and 25, respectively; and, further, to revise § 300.51 (Prohibited fundraising by State, district, or local party committees (2 U.S.C. 441i(d))), to be consistent with the above amendments.

The motion carried on the vote of 5-0 with Commissioners Mason, Sandstrom, Smith, Thomas, and Toner voting affirmatively.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Vice Chairman Sandstrom who presented proposed revisions at § 300.36(a). At the conclusion of the discussion which followed, Chairman Mason recognized the Vice Chairman, who

MOVED to amend § 300.36(a) (Reporting) Federal election activity; recordkeeping) by deleting the language in Agenda Document No. 02-44 on Page 291, Line 10 through Page 292, Line 14, and substituting the language in Agenda Document No. 02-44-F, Page 21, Lines 2 through 27, in lieu thereof.

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

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The meeting recessed at 1:35 P.M. and reconvened at 2:50 P.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Commissioner Toner who reviewed his proposed amendment at § 300.64, which relates to attendance or speaking at a fundraising event. A discussion followed.

The Chairman recognized Commissioner Toner, who

MOVED to revise § 300.64 (Exemption for attending or speaking at fundraising events (2 U.S.C. 441i(e)(3)) by deleting the language in Agenda Document No. 02-44 on Page 313, Lines 3 through 16, and substituting Page 14 of Agenda Document No. 02-44-B in lieu thereof.

The motion carried on the vote of 5-1 with Commissioners Mason, McDonald, Sandstrom, Smith, and Toner voting affirmatively. Commissioner Thomas dissented.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Commissioner Toner,
who

MOVED to amend § 300.1(c)(4) (Scope
and effective date, and organization),
in Agenda Document No. 02-44 on Page 250,
Line 6, by replacing the word "exceptions"
with the word "exemptions," as set forth
in Agenda Document No. 02-44-B on Page 5.

The motion carried on the vote of 6-0.

The Chairman recognized Commissioner Smith who
offered an amendment at § 300.12 (Transition rules), as
submitted in Agenda Document No. 02-44-C-1.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Following discussion, Chairman Mason recognized
Commissioner Smith, who

MOVED to amend § 300.12 in Agenda
Document No. 02-44, Page 263, by
inserting at the end of Line 23
after the date "December 31, 2002"
the following language:

"or returned by checks to
donors. Any refund not
cashed by February 28, 2003,
must be disgorged to the
United States Treasury by
March 31, 2003."

Further, insert the same language
on Page 264 at the end of Line 9.

The motion carried on the vote of 6-0.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Commissioner Toner who presented an amendment at § 300.2(c) (Definitions. Directly or indirectly establish, maintain, finance, or control). The amendment was submitted in Agenda Document No. 02-44-B, Pages 6 and 7. A discussion followed, but no action was taken.

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The meeting recessed at 4:00 P.M. on Thursday, June 20, 2002, and reconvened at 12:10 P.M. on Saturday, June 22, 2002, with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Agenda Document Nos. 02-44-F-1,
02-45, 02-45-A, and 02-46

Chairman Mason recognized Vice Chairman Sandstrom,
who

MOVED to suspend the rules on
the timely submission of agenda
documents in order to consider
Agenda Document Nos. 02-44-F-1,
02-45, 02-45-A, and 02-46.

The motion carried on the vote of 5-0 with
Commissioners Mason, McDonald, Sandstrom, Thomas, and Toner
voting affirmatively.

The Chairman recognized Ms. Rosemary Smith of the
General Counsel's staff who presented an overview of the
revised draft Final Rule, as submitted in Agenda Documents
No. 02-45 and No. 02-45-A, which incorporated the amendments
approved by the Commission on June 19 and 20, 2002, as well
as conforming and technical amendments.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Vice Chairman Sandstrom, who presented proposed amendments at § 300.52 (Fundraising by Federal candidates and Federal officeholders) and § 300.65 (Exceptions for certain tax-exempt organizations.) A discussion followed.

The Chairman recognized Vice Chairman Sandstrom, who

MOVED to amend §§ 300.52 and 300.65 in Agenda Document No. 02-45-A, to include provisions prohibiting the regulated persons from relying on a certification if they have actual knowledge that the certification is false.

The motion carried on the vote of 5-0 with Commissioners Mason, McDonald, Sandstrom, Thomas, and Toner voting affirmatively.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Commissioner Toner,
who

MOVED to amend § 300.64 in Agenda
Document No. 02-45 by revising the
heading on Page 100, Lines 7 and 8,
to read as follows:

"Exemption for attending, speaking,
or appearing as a featured guest
at fundraising events (2 U.S.C.
441i(e)(3))."

The motion carried on the vote of 5-0 with
Commissioners Mason, McDonald, Sandstrom, Thomas, and
Toner voting affirmatively.

Chairman Mason recognized Commissioner Toner,
who

MOVED to amend § 300.64 in Agenda
Document No. 02-45 on Page 100,
Line 12, by inserting the words
"but not limited to" after the
word "including."

The motion carried on the vote of 5-0 with
Commissioners Mason, McDonald, Sandstrom, Thomas, and
Toner voting affirmatively.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Commissioner Toner,
who

MOVED to amend § 106.7 in Agenda
Document No. 02-45, Lines 18 and 19,
to read as follows:

"(2) Salary and wages. Salaries
and wages for employees who spend
more than 25% of..."

The motion carried on the vote of 5-0 with
Commissioners Mason, McDonald, Sandstrom, Thomas, and
Toner voting affirmatively.

Chairman Mason recognized Commissioner Toner,
who

MOVED to amend § 100.24 in Agenda
Document No. 02-45, Page 3, Line 15,
by inserting the word "earliest"
before the word "filing."

The motion carried on the vote of 6-0 with
Commissioners Mason, McDonald, Sandstrom, Smith, Thomas,
and Toner voting affirmatively.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

There was a discussion of the Safe harbor provision at § 300.2 in the revised final rules.

Chairman Mason recognized Commissioner Toner, who

MOVED to approve the Safe harbor provision in Agenda Document No. 02-45 on Page 65, Paragraph 3, Lines 4 through 12, as amended by inserting the word "on" after the word "based" in Line 6.

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Vice Chairman Sandstrom who reviewed his proposed amendment at § 300.30 (Accounts).

At the conclusion of the discussion which followed, Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to approve the amendments to § 300.30, as set forth in Agenda Document No. 02-44-F-1, as amended by Agenda Document No. 02-46, Part 3.

The motion carried on the vote of 5-1 with Commissioners Mason, McDonald, Sandstrom, Smith, and Toner voting affirmatively. Commissioner Thomas dissented.

There was a discussion of § 102.5(b), (Organizations that are not political committees under the Act).

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Commissioner Thomas,
who

MOVED to amend § 102.5(b)(1) in
Agenda Document No. 02-45, by
restoring and inserting on Page 13
at the end of the sentence on Line 14,
the language found on Page 16 on
Lines 14 through 17.

The motion carried on the vote of 6-0.

Chairman Mason recognized Vice Chairman Sandstrom,
who

MOVED to amend § 300.31 (Receipt of
Levin funds) in Agenda Document
No. 02-45 on Page 76, Line 8, by
inserting the words "directly or
indirectly" at the beginning of the
line; and, on Line 9, insert the words
"without additional limitation" after
the word "donate."

The motion carried on the vote of 6-0.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Chairman recognized Vice Chairman Sandstrom,
who

MOVED to amend § 300.31 in Agenda Document No. 02-45, by deleting sub section (g), beginning on Page 78, Line 8 through Line 11, and substituting sub section (g), (Safe Harbor), in Agenda Document No. 02-44-F on Page 17, Line 34 through Line 37, in lieu thereof.

The motion carried on the vote of 6-0.

Chairman Mason recognized Vice Chairman Sandstrom,
who

MOVED to amend § 300.32(a) (Expenditures and disbursements. Federal Funds.) in Agenda Document No. 02-45 by deleting the language which begins on Page 79 at Line 2 through Page 80, Line 3, and substituting the language in Agenda Document No. 02-44-F beginning on Page 18, Line 2 through Line 22, in lieu thereof.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

The Chairman recognized Vice Chairman Sandstrom, who

MOVED to amend § 300.32 by deleting the words "expenditure or" in Agenda Document No. 02-45 on Page 80, Line 22, and Page 81 on Lines 1, 5, and 7.

The motion carried on the vote of 6-0.

The discussion resumed regarding proposed amendments to § 300.32. Chairman Mason recognized Vice Chairman Sandstrom, who

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

MOVED to amend § 300.32(c)(4) by deleting the language in Agenda Document No. 02-45 on Page 81, Lines 7, 8, and 9, and substituting the language in Agenda Document No. 02-46, Paragraph 2 on Pages 1 and 2 in lieu thereof.

The motion carried on the vote of 4-2 with Commissioners Mason, Sandstrom, Smith, and Toner voting affirmatively. Commissioners McDonald and Thomas dissented.

A discussion of a proposed amendment at § 300.34 (Transfers) was held. Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to amend § 300.34(a)(2) by deleting the language in Agenda Document No. 02-45 on Page 87, Lines 11 through 24, and substituting the language in Agenda Document No. 02-44-F on Page 20, Lines 12 through 22, in lieu thereof.

The motion carried on the vote of 6-0.

The meeting recessed at 2:50 P.M. and reconvened
at 3:20 P.M. with a quorum present.

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II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

Chairman Mason recognized Vice Chairman Sandstrom,
who

MOVED to approve the technical and
conforming amendments as set forth
in Agenda Document No. 02-46, Part 1.

The motion carried on the vote of 6-0.

Chairman Mason recognized Commissioner Thomas,
who

MOVED to amend § 102.5 by deleting
the language on Page 12, Lines 17
and 18 in Agenda Document No. 02-45.

The motion carried on the vote of 6-0.

II. FINAL RULE FOR EXCESSIVE AND PROHIBITED
CONTRIBUTIONS: NON-FEDERAL FUNDS OR
SOFT MONEY (continued)

The Commission discussed technical and conforming amendments to be made to the final rule, and it was noted that revisions would be incorporated in the explanation and justification, prior to its circulation to the Commission on a tally vote basis.

Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to approve the Final Rule for Excessive and Prohibited Contributions: Non-Federal Funds or Soft Money, as set forth in Agenda Documents No. 02-45 and No. 02-45-A, including all amendments made at the table; and, to incorporate conforming and technical amendments pursuant to the meeting discussion and otherwise as deemed appropriate.

The motion carried on the vote of 5-1 with Commissioners Mason, McDonald, Sandstrom, Smith, and Toner voting affirmatively for the decision. Commissioner Thomas dissented.

III. ROUTINE ADMINISTRATIVE MATTERS

There were no routine administrative matters
to come before the Commission.


The meeting adjourned at 3:45 P.M. on Saturday,
June 22, 2002.

Signed:



David M. Mason
Chairman of the Commission

Attest:



Mary W. Dove
Secretary of the Commission