

RECORD

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REGULATIONS

RULES ON CORPORATE/LABOR COMMUNICATIONS RESUBMITTED TO CONGRESS

On October 27, 1983, the Commission resubmitted to Congress revised regulations governing partisan and nonpartisan communications made by corporations and labor organizations to their employees, members and stockholders and to the general public. 11 CFR 114.3 and 114.4. The Commission had originally submitted the proposed rules to Congress in March 1983, but withdrew them in April to obtain further comment. (For a summary of the proposed rules originally sent to Congress, see the April 1983 *Record*.) After considering the additional public comments and holding a second round of public hearings in August, the Commission has revised several provisions of the proposed rules. The major modifications concern the proposed rules governing nonpartisan voting records and voter guides prepared and distributed by corporations and labor organizations.

Voting Records

Section 114.4(b)(4) of the proposed rules was rewritten to state that a corporation or labor organization may prepare and publicly distribute voting records of Members of Congress, provided this activity is not undertaken to influence federal elections. Furthermore, the explanation and justification accompanying the proposed rules make clear that, in the voting record, an organization may score or index an incumbent's votes on specific issues rather than publishing the incumbent's actual votes. The indexes or scores must, however, be based on the incumbent's votes on bills or other legislative measures.

Voter Guides

Under the first set of proposed rules, a corporation or labor organization could prepare and publicly distribute voter guides describing candidates' positions on issues. Under the second set of proposed rules, a corporation or labor organization may also distribute voter guides obtained from tax-exempt organizations, provided the tax-exempt organization does not support, endorse or oppose any candidate or political party. Voter guides obtained from tax-exempt or-

ganizations may not favor one candidate or political party over another. They are not, however, subject to the regulatory guidelines proposed for voter guides prepared and distributed by corporations and labor organizations. (See section 114.4(b)(5) of the proposed rules.)

These proposed rules may be prescribed 30 legislative days after their transmittal to Congress. The full text of the second set of proposed rules was published in the *Federal Register* on November 2, 1983 (48 *Fed. Reg.* 50502). Copies of the proposed communications regulations and of the accompanying explanation and justification are available from the Office of Public Communications, 1325 K Street, N.W., Washington, D.C. 20463 (phone: 202/523-4068 or toll free 800/424-9530).

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FINANCING CONVENTION DELEGATES

As the 1984 Presidential elections approach, the Public Communications Office has begun to receive questions about financing the selection of delegates to the national nominating conventions of political parties. In response to those questions, this article explains the rules governing contributions and expenditures made in connection with delegate selection. (Please note that the term "delegate" includes both delegates and those seeking selection as delegates to national nominating conventions. 11 CFR 110.14(b)(1).)

Contributions and Expenditures

The terms "contribution" and "expenditure" are defined, in part, as funds received or expended for the purpose of influencing any election for federal office. 2 U.S.C. §§431(8)(A) and (9)(A); 11 CFR 100.7(a)(1) and 100.8(a)(1). The Act and Commission Regulations define "election" to include a national nominating convention as well as any primary election held to select delegates to the convention. 2 U.S.C. §§431(1)(B) and (C); 11 CFR 100.2(c)(3) and (e). Funds received and spent to further the selection of a delegate are for the purpose of influencing an election (i.e., a national nominating convention or a primary election held to select delegates). Therefore, such funds are

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OPINIONS

ALTERNATE DISPOSITION OF ADVISORY OPINION REQUEST

-- **AOR 1983-33** (Travel agency services provided to delegates of major party Presidential nominating convention; partial donation of travel commissions to party's national committee.) In a letter issued on November 10, 1983, the General Counsel informed the requester that the Commission had determined that the request did not qualify as an AOR because it did not relate to a specific proposed activity. Under Commission Regulations, an inquiry posing a hypothetical situation does not qualify as an advisory opinion request. See 2 U.S.C. §437f and 11 CFR 112.1(b) and (c).

ADVISORY OPINIONS: SUMMARIES

An Advisory Opinion (AO) issued by the Commission provides guidance with regard to the specific situation described in the AOR. Any qualified person who has requested an AO and acts in accordance with the opinion will not be subject to any sanctions under the Act. Other persons may rely on the opinion if they are involved in a specific activity which is indistinguishable in all material aspects from the activity discussed in the AO. Those seeking guidance for their own activity, however, should consult the full text of an AO and not rely only on the summary given here.

AO 1983-26: Volunteer Services Provided by Singer to Candidate and Unauthorized Committee Planning Expenditures for Candidate

The National Conservative Political Action Committee (NCPAC), a multicandidate political committee, may accept the volunteer services of a recording artist in connection with its own fundraising activities and may later make independent expenditures on behalf of Senate candidate X. NCPAC's expenditures for candidate X will be considered independent even if the same artist also volunteers his services for candidate X's

campaign after making appearances for NCPAC. Several conditions, however, qualify this conclusion:

1. The artist's appearances at the NCPAC fundraisers are not made in cooperation with, or the prior consent of, Candidate X or his campaign;
2. The artist receives no form of compensation from candidate X's campaign;
3. The artist has no other involvement with candidate X's campaign, such as knowledge of campaign plans and strategies or the ability to exercise authority on the campaign's behalf; and
4. NCPAC's independent expenditures on behalf of candidate X meet all the conditions set out under the Act and FEC Regulations, 2 U.S.C. §§431(17) and 441a(a)(7)(B); 11 CFR Part 109.

These same conditions would apply if, after his appearances for NCPAC, the artist were to volunteer his services to the political party convention where candidate X might be nominated. Commissioner Frank P. Reiche filed a concurring opinion. (Date issued: October 28, 1983; Length: 6 pages, including concurring opinion)

AO 1983-27: Former Candidate's Donation of Excess Campaign Funds to Nonprofit Corporation

Friends of Red McDaniel (the Committee), Captain Eugene B. McDaniel's principal campaign committee for his unsuccessful House campaign in 1982, may donate its excess campaign funds to the American Defense Institute (ADI), a nonprofit education corporation. Excess campaign funds may be used for a variety of lawful purposes, but they may not be converted to personal use unless the candidate was a Member of Congress on January 8, 1980. 2 U.S.C. §439a; 11 CFR 113.2. (Mr. McDaniel was not a Member of Congress on January 8, 1980.) To avoid using the excess funds for personal use, Mr. McDaniel may not receive from ADI any compensation, loans, awards or grants until ADI has spent the entire amount donated by the Committee. As an exception to this prohibition, however, ADI may reimburse Mr. McDaniel for ordinary and necessary expenses which he incurs in his capacity as Chairman of ADI's Board of Directors.

The Record is published by the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Commissioners are: Danny Lee McDonald, Chairman; Lee Ann Elliott, Vice Chairman; Joan D. Aikens; Thomas E. Harris; John Warren McGarry; Frank P. Reiche; William F. Hildenbrand, Secretary of the Senate, Ex Officio; Benjamin J. Guthrie, Clerk of the House of Representatives, Ex Officio. For more information, call 202/523-4068 or toll-free 800/424-9530.

The Commission did not express any opinion regarding the application of other federal and state laws and rules to this situation because they are not within the Commission's jurisdiction. (Date issued: October 21, 1983; Length: 3 pages)

**AO 1983-28: Proposed Disaffiliation
Between Affiliated PACs**

The California Savings and Loan League FEDPAC (FEDPAC), the separate segregated fund of the California Savings and Loan League (the California league), may not revoke its affiliated status with the U.S. League of Savings Associations Political Election Committee (SAPEC), the separate segregated fund of the U.S. League of Savings Institutions (the national league). The two committees remain affiliated by virtue of the affiliation between their parent organizations.

The California league claims that its relationship with the national league is informal, that membership in one organization is independent from that of the other and that its rules and policies are not affected by those of the national league. Other facts, however, indicate that the two organizations are affiliated: the national league's constitution entitles the California league (and other state leagues) to vote on issues and nominations before the national league's policy making and election meetings. Additionally, state leagues have special nomination rights to the national league's executive committee and board of directors. In effect, the national league is a federation of trade associations and the California league is one of 39 state league affiliates.

Under Commission Regulations, political committees established by a federation of trade associations and by its regional, state and local affiliates are all considered affiliated political committees, subject to a single contribution limit. 11 CFR 114.8(g). Affiliation between FEDPAC and SAPEC, therefore, is mandatory rather than discretionary. Accordingly, FEDPAC may not report disaffiliation with SAPEC by amending its Statement of Organization. (FEDPAC had originally disclosed its affiliation with SAPEC in July 1982.) (Date issued: October 14, 1983; Length: 3 pages)

**AO 1983-29: Fund Used by City to Finance
Presidential Nominating
Convention**

The City of San Francisco (the City), which will host the 1984 Democratic National Convention, may finance facilities and services for the convention from a Convention Promotion and Services Fund (the Fund). 11 CFR 9008.7(b)(1). See also AO 1982-27. Moreover, payments that the City makes for the services and facilities will not constitute contributions to the Democratic National Committee (DNC) by either the City or

those who donate to the Fund. Nor will the payments count against the spending limit imposed on the DNC as a result of its accepting a public grant for the convention. 26 U.S.C. §9008(d).

San Francisco would like to use the Fund to finance the convention because of its longstanding tradition of receiving funds from the private sector for promotional, cultural and commercial activities. The City plans to accept unlimited donations to the Fund from individuals, businesses, private foundations and trade associations. The City will not, however, permit donors to designate their donations for particular convention activities. Commission Regulations do not impose any requirements on funding sources used by the City to finance services for the convention. However, they do require the City to pay the fair market value for any services obtained from commercial vendors. 11 CFR 9008.7(b)(1). Commissioner Thomas E. Harris held a dissenting opinion. (Date issued: October 21, 1983; Length: 5 pages, including dissent)

**AO 1983-30: Legal Fund Established
by Candidate Challenging
State Constitution Provision**

Donations to and disbursements from a legal expense fund established and used by Dr. Conrad Joyner exclusively for legal fees incurred in challenging a provision of the Arizona constitution would not be considered "contributions" or "expenditures" under the election law. The fund will support Dr. Joyner's efforts to challenge the constitutionality of a provision in the Arizona constitution which prohibits an incumbent of a salaried elective office to seek nomination or election to any salaried office at the local, state or federal level -- except during the final year of his or her term. Dr. Joyner initiated legal action prior to becoming a House candidate in 1982.

Solicitations Dr. Joyner conducts for the legal expense fund will be completely separate from solicitations he conducts for his 1982 House campaign. Moreover, he plans to advise potential donors that their donations will not be used for any election-influencing purpose.

Since they are not "contributions," donations to the legal fund will not be subject to the prohibitions and limits the election law places on contributions. Nor will any of the legal expense fund's receipts and disbursements have to be reported. However, upon dissolution of the fund, no residual funds may be transferred to Dr. Joyner's campaign committee or any other political committee. Commissioner Thomas E. Harris filed a concurring opinion. (Date issued: October 26, 1983; Length: 4 pages, including concurring opinion)

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**AO 1983-31: Committee Established by
Subsidiaries of Corporation
Owned by Foreign Corporation**

Syntex Laboratories, Inc., Syva Company and Syntex Chemical, Inc. (the companies) plan to establish and finance the Syntex Good Government Committee (the Committee), a committee to make contributions and expenditures in connection with state and local elections and state and local ballot measures. The companies are domestic subsidiaries of Syntex-U.S.A., a Delaware corporation that is itself a wholly owned subsidiary of Syntex Corporation, a Panamanian corporation.

Section 441e of the Act prohibits foreign principals (e.g., foreign individuals, governments, political parties and organizations) from making contributions in connection with any United States elections. This broad prohibition would not, however, extend to the Syntex companies because they are corporations organized under state laws, with their principal places of business in the United States. Moreover, the Committee's Articles of Organization provide sufficient safeguards to ensure that no foreign principal will serve as a director of the Committee or will otherwise participate in decisions regarding the Committee's contributions and expenditures for political activities. Commissioners Thomas E. Harris and Danny L. McDonald filed a dissent. (Date issued: November 10, 1983; Length: 4 pages, including dissent)

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considered contributions and expenditures under the Act.

No Prohibited Contributions

Because funds given to promote a delegate's selection are considered contributions and expenditures, they are subject to the Act's prohibitions, i.e., funds from the following sources are prohibited: corporations, labor organizations, national banks, federal government contractors and foreign nationals. 11 CFR 110.4(a), 110.14(f) and 114.2.

Individual Delegates vs. Delegate Committees

Rules concerning contributions and expenditures on behalf of **individual delegates** differ from rules which apply to **delegate committees**. Thus, this article first examines the rules relating to individual delegates and then explains those affecting delegate committees. A final section gives special rules which apply to party committees.

Contributions to Individual Delegates

General Rule. A delegate is not a "candidate," i.e., an individual who seeks nomination or election to federal office. 11 CFR 100.3. Therefore, those contribution limits which apply to candidates and political committees do not apply to contributions to individual delegates. Moreover, contributions to an individual delegate are not reportable by the delegate. 11 CFR 110.14(c).

Made by Individuals. Contributions from an individual to a delegate count against the individual's \$25,000 annual limit on total contributions. Neither the individual nor the delegate has any reporting obligation. 11 CFR 110.14(c).

Made by Groups Which Are Not Political Committees. Contributions to an individual delegate from a group which is not a political committee, such as a partnership or an unregistered political organization, are unlimited and are not reportable by either the delegate or the group. 11 CFR 110.14(c). However, the contributions must be made from funds permissible under the Act.

Note that contributions to delegates from an unregistered organization, such as a local party organization, count against the applicable threshold that determines whether the group must register and report as a political committee. 11 CFR 100.5(a) and (c); AO 1980-28.

Made by Political Committees. A political committee may make unlimited contributions to an individual delegate. However, the donor committee must report all such contributions as "expenditures." 11 CFR 110.14(c). See also AO 1980-28.

Made by Publicly Funded Presidential Committees. Contributions to an individual delegate from the campaign committee of a Presidential candidate who receives federal matching funds are considered "qualified campaign expenses," i.e., reportable expenditures which count against the Presidential candidate's spending limit.* 110.14(c).

Expenditures by Individual Delegates

Individual delegates may make the expenditures listed below from their personal funds or from contributions they receive. 11 CFR 110.14(d).

*Presidential primary candidates who receive partial public funding in the form of matching payments must limit their overall campaign spending, and spending in each state, to amounts specified in the Act and Commission Regulations. 2 U.S.C. Section 441a(b); 11 CFR 110.8.

Delegate Selection Only. Expenditures by an individual delegate to promote his or her selection only are neither limited nor reportable. Examples of such expenditures include living expenses during the delegate selection process and travel to the national nominating convention.

Such expenditures are not considered expenditures by Presidential candidates and do not count against the spending limits of publicly funded candidates, regardless of whether the delegate is committed or pledged to a particular candidate. 11 CFR 110.14(d)(1).

Campaign Materials Distributed by Volunteers. When a delegate makes expenditures for campaign materials (e.g., pins, bumper stickers, handbills, brochures or yard signs) that advocate his or her selection as a delegate and also refer to a Presidential candidate, they are not considered contributions to or expenditures by the Presidential candidate, provided that the materials are distributed by volunteers and no public political advertising is used. No reporting is required. 11 CFR 110.14(d)(2)(i).

Expenditures for Public Advertising. If a delegate pays for public political advertising which promotes his or her selection only, the expenditure is not reportable and is not subject to any limits. This may not be the case, however, if the ad also mentions a Presidential candidate. The reference may require the delegate to allocate the portion of the ad which benefits the Presidential candidate as an independent expenditure or an in-kind contribution. Two factors determine whether the ad is an independent expenditure, an in-kind contribution or an unreportable expenditure:

- Whether or not the delegate consults, cooperates or confers with the Presidential candidate or campaign; and
- Whether or not the ad expressly advocates the election of a clearly identified candidate for the Presidency.

No Consultation and No Express Advocacy. The entire payment for an ad is an unreportable expenditure as long as the delegate does not confer with the Presidential campaign and the ad does not expressly advocate the Presidential candidate's election. Moreover, the payment is not considered a contribution to or an expenditure by the Presidential campaign and thus does not count against the expenditure limit of a candidate receiving matching funds. No reporting is necessary. 11 CFR 110.14(d)(2)(ii).

No Consultation But Express Advocacy. An independent expenditure results when there is no coordination or consultation between the delegate and the Presidential campaign but the ad

expressly advocates the Presidential candidate's election. The portion of the cost allocable to the candidate is considered an independent expenditure. The delegate must file a report with the FEC once his or her independent expenditures aggregate over \$250 per year. In this case, the Presidential committee has no reporting responsibility.

An independent expenditure does not count against the delegate's personal contribution limit for the Presidential candidate; nor does it count against the expenditure limit for a Presidential candidate receiving matching funds. 11 CFR 110.14(d)(2)(ii)(B) and (C).

Consultation With or Without Advocacy. The delegate makes an in-kind contribution when he or she consults with the Presidential campaign, regardless of whether the reference to the Presidential candidate expressly advocates his election. The portion of the expenditure allocable to the Presidential candidate is an in-kind contribution, which counts against the delegate's personal \$1,000 contribution limit for the candidate. Moreover, the value of the in-kind contribution is also chargeable to the spending limit of a candidate receiving matching funds. The in-kind contribution must be reported by the Presidential committee, but the delegate has no reporting obligation. 11 CFR 110.14(d)(2)(ii)(A) and (C).

Contributions to Delegate Committees

General Rule. If several persons, acting as a group, support the selection of one or more delegates by receiving contributions or making expenditures which exceed \$1,000 a year, the group becomes a political committee. 11 CFR 100.5(e)(5). Once it becomes a political committee — a so-called "delegate committee" — it is subject to the standard registration and reporting requirements of the Act. A delegate committee may not accept more than \$5,000 per year from any individual, group or political committee. 11 CFR 110.1(c) and 110.14 (e).

Made by Individuals. Contributions from an individual to a delegate committee may not exceed \$5,000 per year. These contributions also count against the individual's \$25,000 annual limit on total contributions. The delegate committee must report all such contributions, although the individual has no reporting obligation. 11 CFR 110.14(e).

Made by Groups Which Are Not Political Committees. Contributions to a delegate committee from a group which is not a political committee, such as a partnership or an unregistered political organization, may not exceed \$5,000 a year and

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must be made from permissible funds. Only the delegate committee must report the contributions. 11 CFR 110.14(e).

Note that contributions to a delegate committee from an unregistered organization, such as a local party organization, count against the applicable registration threshold that determines whether the group must register and report as a political committee. 11 CFR 100.5(a) and (c).

Made by Political Committees. Contributions to a delegate committee from a political committee may not exceed \$5,000 per year. Such contributions are reportable by both the donor committee and the delegate committee. 11 CFR 110.14(e).

Made by Publicly Funded Presidential Committees. Contributions to a delegate committee from a Presidential campaign committee receiving federal matching funds may not exceed \$5,000 per year; they also count against the Presidential candidate's spending limit. Such contributions are reportable by both the Presidential committee and the delegate committee. 11 CFR 110.14(e) and (e).

Expenditures by Delegate Committees

All expenditures by a delegate committee are reportable. An expenditure for public political advertising which advocates the selection of a delegate and which also refers to a Presidential primary candidate is considered either an allocable in-kind contribution or an allocable independent expenditure on behalf of the Presidential candidate. 11 CFR 110.14(e); AO 1980-5.

Special Rules for Party Committees

Administrative Expenses. Administrative expenses incurred by a state or local party organization for sponsoring conventions or caucuses to select delegates are not reportable, but the expenses may not be paid with contributions which are prohibited under the Act. 11 CFR 110.14(g)(1). However, if administrative expenses are paid by a federal account,* then the expenses must be reported. AO 1979-7.

Ballot Fees. Ballot fees paid by individuals to a state or local party organization to qualify as delegates are not contributions or expenditures. These payments are not subject to any limits, and they are not reportable (unless received by a federal account). 11 CFR 110.14(g)(2).

*A party organization may establish a federal account, registered as a political committee, which is used for federal activity; and a non-federal account, not a registered committee, which is used only for state and local activity. 11 CFR 102.5(a)(1)(i).

REGULATIONS

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REGULATIONS ON TRADE ASSOCIATION AUTHORIZATIONS SENT TO CONGRESS

On October 17, 1983, the Commission transmitted to Congress proposed revisions to its regulations governing the request and receipt of solicitation authorizations that a trade association must obtain from its corporate members before soliciting their stockholders and executive and administrative personnel. 11 CFR 114.8(c)(2) and (d)(4). The proposed regulations may be prescribed 30 legislative days after their transmittal to Congress.

The Commission proposed these revisions in response to difficulties encountered by trade associations, under current FEC rules, in obtaining solicitation approvals from their corporate members. Under the proposed revisions, a corporate member may grant its approval of a trade association solicitation, and a trade association may receive that approval, prior to the calendar year in which the trade association conducts the solicitation(s). Further, the suggested revisions permit trade associations to obtain corporate approval for several years at a time. However, the corporate member must submit a separate document for each year approved for solicitations. Under current rules, a corporate member's approval must be received by the trade association during the calendar year in which the trade association conducts the solicitation. This has meant that trade associations have had to renew their requests for corporate approvals each year.

The proposed rules also specify that a trade association must keep an authorization for three years after it conducts the solicitation, rather than three years after the corporation approves the authorization. 11 CFR 114.8(d)(2).

The Commission noted that the proposed revisions did not affect other FEC rules governing solicitation approvals. Each member corporation, for example, may grant approval to only one trade association a year. If a corporate member withdraws its approval after the trade association has conducted a solicitation, the corporation may not grant a solicitation approval to any other trade association during that same year. It may, however, grant approval to another trade association for solicitations in future years.

The full text of these proposed rules was published in the Federal Register on October 20, 1983 (48 Fed. Reg. 48650). It is available from the Office of Public Communications, 1325 K Street, N.W., Washington, D.C. 20463 (phone: 202/523-4068 or toll free 800/424-9530).

TECHNICAL AMENDMENT TO FEC'S HONORARIA REGS

On November 10, 1983, the Commission approved a technical amendment to its regulations governing acceptance of honoraria by federal officeholders and employees. The amended subsection pertains to the payment of honoraria to charitable organizations. 11 CFR 110.12(b)(5). The revised regulation follows a recent amendment to the Federal Election Campaign Act, 2 U.S.C. §441i(b). Under the amended regulation, an honorarium (or any portion of it) will not be considered to have been accepted by the federal officeholder or employee -- and therefore will not be subject to the \$2,000 limit on an honorarium payment -- if either the organization paying the honorarium or the officeholder or employee donates the funds to a charitable organization. Under the former

provision, the exemption applied only if the organization paying the honorarium gave it to a charitable organization which it selected from a list of at least five organizations suggested by the honorarium recipient.

Since the conforming amendment to the regulations was not a substantive rule representing an FEC policy decision, it was not published for public comment but became effective upon publication in the Federal Register on November 21, 1983 (48 Fed. Reg. 52567). Copies of the Federal Register notice may be obtained by writing the Federal Election Commission, Public Communications Office, 1325 K Street, N.W., Washington, D.C. 20463 or by calling: 202/523-4068 or toll free 800/424-9530.

STATUS OF FEC REGULATIONS SENT TO CONGRESS

Regulations*	Date Sent to Congress	Federal Register Publication	Date Prescribed** by the Commission
11 CFR 102.6 and 102.17 Transfer of Funds; Collecting Agents, Joint Fundraising	6/2/83	6/7/83 48 <u>Fed. Reg.</u> 26296	8/22/83
11 CFR Part 110 Annual Honoraria Limit	NA***	11/21/83 48 <u>Fed. Reg.</u> 52567	11/21/83
11 CFR 114.3 and 114.4**** Communications by Corporations and Labor Organizations	10/27/83	11/21/83 48 <u>Fed. Reg.</u> 50502	
11 CFR 114.8 (c)(2), 114.8(d)(2) and 114.8(d)(4) Trade Association Solicitation Authorizations	10/17/83	10/20/83 48 <u>Fed. Reg.</u> 48650	
11 CFR 9001 et seq. General Election Campaign Fund	7/1/83	7/11/83 48 <u>Fed. Reg.</u> 31822	10/27/83
11 CFR Part 9008 Fund for Presidential Nominating Conventions	NA***	7/21/83 48 <u>Fed. Reg.</u> 33244	7/21/83

*The chart is cumulative, listing all amendments to FEC Regulations proposed or prescribed by the Commission since the publication of Title 11, Code of Federal Regulations (11 CFR) on July 1, 1983.

**The Commission may prescribe its regulations 30 legislative days after it has transmitted them to Congress.

***Since these technical, conforming amendments were not a substantive rule representing an FEC policy decision, they were not submitted for Congressional review but became effective upon publication in the Federal Register.

****These regulations were pending before Congress prior to the Congressional recess between November 18, 1983, and January 23, 1984. The 30 legislative days will continue to run when Congress reconvenes.



INDEPENDENT SPENDING INCREASES

Independent expenditures made to influence the outcome of 1982 Congressional races increased 146 percent over independent spending in 1980 Congressional races. A total of \$5.75 million was spent independently during 1981-82 on Congressional races,* while a total of \$2.3 million was spent during 1979-80. (Under the federal election law, an independent expenditure is an expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate. The expenditure must be made without cooperation or consultation with the candidate or his/her campaign.)

According to a final study on the 1981-82 election cycle, released by the FEC during October 1983, 80 percent (or \$4.6 million) of the money spent independently on behalf of 1982 Congressional races advocated the defeat of some 90 House and Senate candidates; 20 percent was spent in support of Congressional candidates. During 1979-80, 59 percent (or \$1.4 million) of the money independently spent on Congressional campaigns was for "negative" communications against Congressional candidates.

The total number of political action committees (PACs),** individuals and other groups making independent expenditures in the 1981-82 election cycle decreased. Seventy PACs, seven individuals and 17 other groups made independent expenditures. By contrast, during 1979-80, independent expenditures were made by 105 PACs, 33 individuals and 80 other groups. However, most of the 1980 expenditures were made to influence the outcome of Presidential elections.

Charts I and II below list the political committees and individuals making the largest independent expenditures during 1981-82. Chart III lists the candidates for or against whom the most money was spent.

*A small portion of this spending was on 1980 races. These expenditures have been included in the figures for 1981-82 because they were reported during 1981-82.

**PAC is a popular term used to define a political committee that has not been authorized by a candidate or political party. The term includes separate segregated funds sponsored by corporations and labor organizations, as well as political committees without any sponsoring organization.

**CHART I
COMMITTEES REPORTING LARGEST
INDEPENDENT EXPENDITURES**

Political Committee	Spending For Candidates	Spending Against Candidates
National Conservative Political Action Committee	\$137,724	\$3,039,490
Citizens Organized to Replace Kennedy	0	416,678
Fund for a Conservative Majority	0	388,399
Life Amendment Political Action Committee	36,455	219,055
NRA Political Victory Fund	232,350	477
American Medical Association PAC	211,624	0
Realtors PAC	188,060	0
Progressive PAC	8,090	134,795
Independent Action, Inc.	0	132,920
League of Conservation Voters	129,163	0

**CHART II
INDIVIDUALS REPORTING
LARGEST INDEPENDENT EXPENDITURES**

Individual	Spending For Candidates	Spending Against Candidates
Fred A. Lennon (Ohio)	\$22,612	0
Joseph P. Vetrano (Connecticut)	6,546	0
Michael Towbes (California)	1,243	0
Mildred Tichacek (Missouri)	0	\$1,043
William Ferguson (Virginia)	941	0
Ladislaus Michalowski (Connecticut)	421	0
Michael C. Grenata (Virginia)	230	0

**CHART III
CANDIDATES FOR OR AGAINST WHOM MOST
INDEPENDENT EXPENDITURES WERE MADE**

Candidate	Spending For	Spending Against
Senate		
Edward Kennedy (D-MA)	\$ 500	\$1,146,135
Paul Sarbanes (D-MD)	29,501	697,763
Robert Byrd (D-WV)	9,184	270,749
John Melcher (D-MT)	40,118	228,011
Lloyd Bentsen (D-TX)	0	226,662
Lowell Weicker (R-CT)	21,248	200,508
Howard Cannon (D-NV)	0	192,081
Edmond Brown (D-CA)	7,632	146,346
Orrin Hatch (R-UT)	22,081	82,772
Harrison Schmitt (R-NM)	5,682	76,575
House		
Thomas P. O'Neill (D-MA)	0	\$ 318,114
Jim Wright (D-TX)	0	217,115
Jim Jones (D-OK)	\$13,266	127,029
Dan Rostenkowski (D-IL)	0	57,507
Bob Edgar (D-PA)	24,762	8,943
Bill Chappell (D-FL)	30,332	0
Jim Dunn (R-MI)	24,013	5,500
John Kasich (R-OH)	27,294	0
Jim Coyne (R-PA)	25,019	1,681
Edward Weber (R-OH)	17,442	5,500

FEDERAL REGISTER

FEDERAL REGISTER NOTICES

The items below identify FEC documents that appeared in the Federal Register during October and November, 1983. Copies of these notices are available in the Public Records Office.

Notice	Title
1983-27	11 CFR Parts 9001-9007 and 9012; Presidential Election Campaign Fund; Final Rule: Announcement of Effective Date (48 <u>Fed. Reg.</u> 49653, October 27, 1983)
1983-28	11 CFR 114.3 and 114.4; Communications by Corporations and Labor Organizations; Transmittal of Final Regulations to Congress (48 <u>Fed. Reg.</u> 50502, November 2, 1983)
1983-29	11 CFR Part 110; Honoraria; Modification of the Definition of "Acceptance"; Final Rule: Technical Amendment (48 <u>Fed. Reg.</u> 52567, November 21, 1983)

CHANGE OF ADDRESS

Political Committees

Registered political committees are automatically sent the Record. Any change of address by a registered committee must, by law, be made in writing as an amendment to FEC Form 1 (Statement of Organization) and filed with the Clerk of the House, the Secretary of the Senate, or the FEC, as appropriate.

Other Subscribers

Record subscribers (who are not political committees), when calling or mailing in a change of address, are asked to provide the following information:

1. Name of person to whom the Record is sent.
2. Old address.
3. New address.
4. Subscription number. The subscription number is located in the upper left hand corner of the mailing label. It consists of three letters and five numbers. Without this number, there is no guarantee that your subscription can be located on the computer.

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