



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

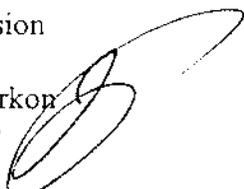
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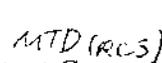
**MEMORANDUM**

**TO:** The Commission

**THROUGH:** James A. Pehrkon   
Staff Director

**FROM:** Lawrence H. Norton   
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**SUBJECT:** Public Financing of Presidential Candidates and Nominating Conventions:  
Amendments to Draft Final Rules and Explanation and Justification

**AGENDA ITEM**

For Meeting of: 07-24-03

**SUBMITTED LATE**

Attached please find amendments to the Final Rules and Explanation and Justification for Public Financing of Presidential Candidates and Nominating Conventions in Agenda Document No. 03-51. The Office of General Counsel understands some Commissioners are interested in returning to this Office's initial recommendation that 5% of the expenditure limit is an appropriate winding down limitation for primary candidates and provides an adequate amount of public funds for that purpose. Consequently, proposed language that would reduce the limit on winding down costs for primary candidates from 10% to 5% is included below. Further amendments are intended to make clarifications to the provision regarding winding down costs paid by the GELAC and corrections to the provisions regarding continuing to campaign costs.

**Recommendation**

The Office of General Counsel recommends that the Commission approve Agenda Document No. 03-51 incorporating the amendments contained herein.

## Agenda Document No. 03-51 Amendments

### *Primary Winding Down Limitation*

- 1
- 2 On page 103, delete lines 3 through 12.
- 3 On page 103, revise the sentence on lines 13 and 14 to read:
- 4 Accordingly, the Commission is adopting the winding down limitation proposed in the  
5 NPRM for primary election candidates in new section 9034.11(d).
- 6 On page 103, line 15: Replace "10%" with "5%" in both instances it appears.
- 7 On page 104, lines 12, 14, and 15: Replace "10%" with "5%" in the three instances it appears.
- 8 On page 104, line 14: Replace "\$3,648,000" with "\$1,824,000"
- 9 On page 161, lines 21 and 22: Replace "10%" with "5%" in both instances it appears.

### *Winding Down Costs Paid by the GELAC*

- 10
- 11 On page 17, line 5: Add the following sentence to the end of the paragraph:
- 12 Any winding down costs paid by the GELAC will not count toward either winding down  
13 limitations in new 11 CFR 9004.11(b) or 9034.11(b).
- 14 On page 17, line 13: Delete "certain" and delete "that are exempt from the expenditure limit"
- 15 On page 28, line 7: Replace "compliance" with "any winding down"
- 16 On page 29, line 21: Add the following sentence to the end of the paragraph:
- 17 Any winding down costs paid by the GELAC can be allocated to either the primary or the  
18 general election committees for this purpose, although they will not count toward either  
19 winding down limitation in new 11 CFR 9004.11(b) or 9034.11(b).

### *Continuing to campaign costs*

- 20
- 21 On page 97, line 3: Delete "and continuing-to-campaign"
- 22 On page 97, line 6: Add the following sentence.
- 23 As proposed in the NPRM, section 9034.4(b)(3) would have also referred to continuing  
24 to campaign costs; however, in the final rules, it does not refer to continuing to campaign  
25 costs because those costs are not qualified campaign expenses.
- 26 On page 159, lines 14-15: Delete "continuing to campaign costs and"

1 *Technical Corrections*

- 2 On page 48, line 6: Delete “Id. at 18509.”
- 3 On page 61, line 2: Change “AO” to “AOs”
- 4 On page 67, line 16: Add the following sentence following “officeholders.”
- 5 Another commenter argued that the changes to the Commission’s host committee  
6 regulations, which changes are discussed above, make continued reliance on the original  
7 justification unwarranted.
- 8 On page 68, lines 11-12: Move this sentence to the end of line 17 on the same page
- 9 On page 72, line 4: Change “on” to “regarding”
- 10 On page 85, line 6: Change “Mutual” to “Municipal”
- 11 On page 101, line 8: Change “For reasons” to “For the reasons”
- On page 103, footnote 17: Change “because” to “, and”
- 12 On page 146, line 19: Change “civil” to “civic”