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DEPARTMENT OF AGRICULTURE

7 CFR Part 19

Licensing Department Inventions

AGENCY: Agricultural Research Service, USDA.

ACTION: Final rule.

SUMMARY: This action is being taken as part of the National Performance Review program to eliminate unnecessary regulations and improve those that remain. This final rule removes obsolete regulations pertaining to licensing departmental inventions. USDA regulations have been superseded by Department of Commerce regulations governing the licensing of Government-owned inventions.

EFFECTIVE DATE: August 15, 1996.

FOR FURTHER INFORMATION CONTACT: Richard M. Parry, Jr., Assistant Administrator, Agricultural Research Service, USDA, Room 358–A, Jamie L. Whitten Federal Building, 1400 Independence Avenue, S.W., Washington, DC 20250, (202) 720–3973.

SUPPLEMENTARY INFORMATION: 7 CFR Part 19 was issued in 1970 pursuant to the authority of the Secretary under 5 U.S.C. 301 and the President's Memorandum of October 10, 1963, and Statement of Government Patent Policy, 28 FR 10943. The enactment of a Governmentwide regulation in 1987, 37 CFR 404, under the authority of 35 U.S.C. 206, superseded 7 CFR Part 19. Therefore, pursuant to 5 U.S.C. 553, good cause is found that notice of proposed rulemaking and opportunity for comment are not required, and good cause is found for making this rule effective less than 30 days after publication in the Federal Register. This rule has been determined to be not significant for the purpose of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget. Also, this rule will not cause a significant economic impact or other substantial effect on small entities and, therefore, the provisions of the Regulatory Flexibility Act, 5 U.S.C. et seq., do not apply. Requests for information relating to licensing departmental inventions may be obtained through the ARS Assistant Administrator pursuant to 7 CFR Part 3700.

List of Subjects in 7 CFR Part 19

Inventions and patents.

PART 19—[REMOVED AND RESERVED]

Accordingly, 7 CFR Part 19 is removed and reserved.

Authority: 5 U.S.C. 301

Done at Washington, DC, this 12th day of August 1996.

Floyd P. Horn,

Administrator, Agricultural Research Service.

[FR Doc. 96–20884 Filed 8–14–96; 8:45 am]

BILLING CODE 3410–03–M

7 CFR Part 4000

Organization and Functions

AGENCY: Economics Management Staff, USDA.

ACTION: Final rule.

SUMMARY: This final rule removes obsolete regulations pertaining to the organization and function of the Economics Management Staff (EMS) to reflect an internal reorganization of the Department of Agriculture (USDA).

EFFECTIVE DATE: August 15 1996.

FOR FURTHER INFORMATION CONTACT: Jane L. Giles, Deputy Administrator, Agricultural Research Service, USDA, Room 324–A, Jamie L. Whitten Federal Building 1400 Independence Avenue, SW., Washington, DC 20250, (202) 690–2575.

SUPPLEMENTARY INFORMATION: The Freedom of Information Act, 5 U.S.C. 552(a)(1), requires Federal agencies to publish in the Federal Register descriptions of its central and field organizations. 7 CFR Part 4000 set forth the organization and functions of the EMS. It was issued pursuant to the authority formerly delegated to EMS in 7 CFR 2.87. Pursuant to the internal reorganization of USDA, EMS has been integrated into the Agricultural Research Service (ARS). This document removes 7 CFR Part 4000. Requests for information relating to functions formerly performed by EMS may be obtained through the ARS Deputy Administrator pursuant to 7 CFR Part 3700. Pursuant to 5 U.S.C. 553, since this rule relates to internal agency management, notice of proposed rulemaking and opportunity for comment are not required, and this rule may be made effective less than 30 days after publication in the Federal Register. Further, because it relates to internal agency management, it is exempt from the provisions of Executive Orders 12988 and 12866. In addition, this rule will not cause a significant economic impact or other substantial effect on small entities. Therefore, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 602, do not apply.

List of Subjects in 7 CFR Part 4000

Organization and functions, (Government agencies).

PART 4000—[REMOVED AND RESERVED]

Accordingly, 7 CFR Part 4000 is removed and reserved.

Authority: 5 U.S.C. 301 and 552.

Done at Washington, DC, this 12th day of August 1996.

Floyd P. Horn,

Administrator, Agricultural Research Service.

[FR Doc. 96–20883 Filed 8–14–96; 8:45 am]

BILLING CODE 3410–03–M

FEDERAL ELECTION COMMISSION

11 CFR Part 104

[Notice 1996–16]

Electronic Filing of Reports by Political Committees

AGENCY: Federal Election Commission.

ACTION: Final rules; transmittal of regulations to Congress.

SUMMARY: The Federal Election Commission is implementing an electronic filing system for reports of campaign finance activity filed with the agency. The Commission is publishing new rules today as part of the process of implementing this system. The new rules establish general requirements for

filing reports electronically; specify the format for data to be submitted by filers; set up procedures for submitting amendments to reports; and explain methods of complying with the signature requirements of the law. Further information is provided in the supplementary information that follows.

EFFECTIVE DATE: Further action, including the announcement of an effective date, will be taken after these regulations have been before Congress for 30 legislative days pursuant to 2 U.S.C. 438(d). A document announcing the effective date will be published in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Ms. Susan E. Propper, Assistant General Counsel, or Paul Sanford, Staff Attorney, 999 E Street, NW., Washington, DC 20463, (202) 219–3690 or (800) 424–9530.

SUPPLEMENTARY INFORMATION: The Commission is today publishing the final text of new regulations to be added to 11 CFR Part 104 regarding the electronic filing of reports by political committees. These rules implement provisions of Public Law 104–79, which amended the Federal Election Campaign Act of 1971, 2 U.S.C. 431 *et seq.* [''the Act''], to require, *inter alia,* that the Commission create a system to ''permit reports required by this Act to be filed and preserved by means of computer disk or any other electronic format or method, as determined by the Commission.'' Federal Election Campaign Act of 1971, Amendment, Pub. L. No. 104–79, section 1(a), 109 Stat. 791 (December 28, 1995). The final rules announced today set out the requirements and procedures for filing reports electronically.

The electronic filing system is intended to reduce paper filing and manual processing of reports, resulting in more efficient and cost-effective methods of operation for filers and for the Commission. The system will also provide the public with more complete on-line access to reports on file with the Commission, thereby furthering the disclosure purposes of the Act. Public Law 104–79 requires the Commission to make this filing method available for reports covering periods after December 31, 1996. Thus, the new system will be in place for the first reports filed in the 1998 election cycle.

Public Law 104–79 requires the Commission to make the electronic filing option available for all ''report[s], designation[s], or statement[s] required by this Act to be filed with the Commission.'' Previously, this would not have included reports filed by the authorized committees of candidates for the House of Representatives, as these committees filed their reports with the Clerk of the House. However, section 3 of Public Law 104–79 amended 2 U.S.C. 432(g) to require the authorized committees of House candidates to file their reports with the Commission. Consequently, these committees, as well as those that have historically filed with the Commission, will have the opportunity to file electronically under the new system. Committees that are required to file reports with the Secretary of the Senate will not be covered by the new rules.

While the Commission encourages political committees and other persons to file their reports electronically, doing so is not required. Under Public Law 104–79, participation in the Commission's electronic filing program is voluntary. Therefore, filers have the option of continuing to submit paper reports as they have in the past.

Section 438(d) of Title 2, United States Code requires that any rules or regulations prescribed by the Commission to carry out the provisions of Title 2 of the United States Code be transmitted to the Speaker of the House of Representatives and the President of the Senate 30 legislative days before they are finally promulgated. These regulations were transmitted to Congress on August 9, 1996.

Explanation and Justification for 11 CFR 104.18

The Commission initiated this rulemaking with a Notice of Proposed Rulemaking [''NPRM''] published in the Federal Register on March 27, 1996. 61 FR 13465 (March 27, 1996). The NPRM contained proposed rules covering general filing requirements, the format for electronic reports, report validation procedures, amendments to electronically filed reports, signature requirements, and the preservation of reports filed electronically. The NPRM sought comments on the proposed rules and on other issues from various segments of the regulated community, including (1) committees that will be affected by the new rules; (2) vendors with knowledge of the software issues involved in implementing such a system; and (3) state and local jurisdictions that have experience with electronic filing. The Commission received ten comments in response to the NPRM. Several commenters offered general observations about the features that an electronic filing system should include. Other commenters offered specific comments on the proposed rules set out in the notice. The Internal Revenue Service submitted a comment in which it said that the proposed rules are not inconsistent with IRS regulations or the Internal Revenue Code. The comments received provided valuable information that serves as the basis for the final rules published today.

General Comments About System Features

Some commenters offered general comments about the features that should be incorporated into the electronic filing system. One commenter urged the Commission to make the software for the system as user friendly as possible, in order to make filing FEC reports easier, and also urged the Commission to make the software available free of charge through its World Wide Web site. This commenter said that filers should be required to include the FEC identification number of the candidates and PACs listed on their reports in order to ensure accurate incorporation of the reports into the Commission's data base, and suggested that pop-up menus could be incorporated into the software that would allow filers to select this and other information from a master list.

Similarly, this commenter along with one other commenter, urged the Commission to establish a standardized list of codes for reported disbursements. This proposal was set out in the narrative portion of the NPRM. However, the commenter said filers should be able to include a written elaboration. This commenter also said that any software made available by the Commission should not include any campaign management features, since these features would suggest assistance to candidates and would present practical problems.

Another commenter said that encryption capabilities should be incorporated into the electronic filing software, since this would serve the dual purposes of compressing files and providing security in the reporting.

The Commission shares the commenter's view that the electronic filing system must be as easy to use as possible, and intends to make any software that it creates available free of charge through the Internet and other electronic means. Initially, this will be limited to the validation software that filers will use to validate their reports before submitting them to the Commission on diskette. Additional software, such as encryption software, will be made available after initial implementation, as the Commission moves towards filing by telecommunications. The Commission will also make a list of the identification numbers of all registered candidates and committees available on the Internet for committees to download and

incorporate into their reports. Committees can access this list through the Commission's home page at www.fec.gov.

General Rule

Paragraph (a) of the proposed rules set out the general rule that political committees who file reports with the Commission may choose to file their reports in an electronic format that meets the requirements of the section. Paragraph (a) also states that committees that choose to file electronically and whose reports satisfy the validation program described in paragraph (c), below, must continue to file electronically all reports covering financial activity for that calendar year. The Commission sought comment on whether the rules should distinguish between committees that begin filing electronically but later encounter problems and are unable to do so from those who simply decide to discontinue filing electronic reports.

The Commission received no comments on the general rule or on the one year continuation requirement. Generally, the final rule tracks the proposed rule. Requiring committees that begin to file reports electronically to continue to do so for the rest of the year will enable the Commission to more efficiently process the committee's reports and place them on the public record. However, the rule now contains an exception that waives this requirement if the Commission determines that extraordinary and unforeseeable circumstances have made it impracticable for the committee to continue filing electronically. In order to obtain a waiver, a committee must submit a written request to the Commission's Data Systems Development Division explaining the circumstances that make continued electronic filing impracticable. The Data Division will review these requests and make a determination as to whether the committee may revert to paper filing. Generally, waivers will only be granted if circumstances such as destruction of the committee's computer equipment make continued electronic filing technologically impossible. Committees that revert to paper filing will be required to report on paper for the remainder of the calendar year.

Standard format

Under paragraph (b) of the proposed rules, reports filed electronically must conform to the technical specifications, including file requirements, described in the Commission's Electronic Filing Specification Requirements [''EFSR''], and must be organized in the order specified in those requirements. The narrative portion of the NPRM indicated that the Commission would develop these requirements in a parallel process to the Electronic Filing rulemaking, and would make the requirements available to the public during the development process. The notice invited interested persons to comment on the requirements as they were being developed.

The draft electronic filing specification requirements were made available for comment on May 31, 1996. Several comments were submitted on the draft requirements. The Commission expects to issue a final version of the EFSR during mid-August, 1996.

A few commenters addressed the issue of standardized format specifications in their comments on the NPRM. Two commenters expressed support for the Commission's plans to develop a standard format. One of these commenters suggested that the Commission use the same field structures and lengths as those in the Computerized Magnetic Media Requirements [''CMMR''] currently used by publicly financed presidential campaigns. The other commenter said the need to develop a standard format for electronically filed reports was obvious, but said that the format should not be so technical that users are unable to generate properly formatted reports themselves.

The format required for electronically filed reports will be relatively simple, and users should be able to easily generate properly formatted reports using the EFSR documentation. The Commission has used the CMMR as a model for the EFSR, and incorporated similar field structures and lengths where appropriate. However, the EFSR will differ in many significant respects, because the CMMR was designed to facilitate the matching fund submission process for presidential primary candidates, whereas the EFSR must serve the broader purposes of reporting under Part 104 of the regulations. Thus, while the EFSR will share some of the characteristics of the CMMR, the EFSR will include specifications for the full range of activities that are reportable under section 434 of the Act and Part 104 of the regulations.

In contrast to the two comments described above, a third commenter suggested an entirely different approach for filing reports electronically. This commenter said that filers should simply scan the Commission's forms into their databases, complete the forms, and submit them to the Commission by electronic mail. Or, as an alternative to scanning, the Commission should make the forms available on a diskette for $25.

Accepting scanned forms as electronically filed reports would complicate the electronic filing process, because scanned forms would be more difficult to directly integrate into the Commission's disclosure data base. Direct integration will be achieved most efficiently if reports are made up of a series of fields of ASCII characters. Scanned forms are digitized images, rather than fields of ASCII characters. Since direct integration is one of the main goals of electronic filing, the Commission has decided not to accept scanned images as electronically filed reports.

Acceptance of Reports Filed Electronically

1. Validation checks. Under paragraph (c) of the proposed rules, committees submitting reports electronically would be required to check each report against the Commission's validation software before it is submitted, to ensure that it meets the standard format specification requirements. Paragraph (c)(1) also indicated that electronically filed reports would be checked again when they are received by the Commission. The Commission would not accept reports that do not pass the validation program, and would notify a committee if its reports are rejected.

One commenter suggested that, instead of supplying validation software, the Commission certify a commercial disclosure software package. This, the commenter said, would allow filers to bypass the process of validating each submission.

The Commission is unable to adopt this commenter's suggestion. The validation software will ensure that electronic reports submitted to the Commission conform to the electronic filing specification requirements and can be integrated into the Commission's disclosure data base. The Commission is making the validation software available to committees so that reports can be checked before they are submitted. This will allow filers to remedy filing problems before sending their reports to the Commission. Although commercial software packages may become available that will perform this function, the Commission is reluctant to treat any of these packages as a substitute for the validation software, because doing so would require ongoing oversight of these software packages to ensure continued compliance with the EFSR. The Commission is unwilling and unable to perform this oversight. Therefore, the Commission will not

recognize commercial software as a substitute for the validation process.

Another commenter suggested that the Commission develop what the commenter described as ''pre-auditing'' software that would automatically review reports before they are submitted in order to ensure that the reports are complete and correct to the greatest extent possible. The commenter said that this software should check for math errors, look for inconsistencies between the summary page and the detailed reporting pages, and notify the filer if mandatory fields have been left blank, contributions have been listed that exceed the applicable limits, or data has been included that is outside the reporting period range.

The validation software filers will be required to use in 1997 will perform some of these functions. Specifically, this software will ensure that all required information is included in the report, and will also examine the report for inconsistencies between the summary pages and detailed reporting pages. The Commission's current plans are to incorporate other pre-auditing functions, such as checking for math errors, etc., into the more sophisticated validation software that will be made available for the next phase of the program in 1998. This may further increase the accuracy of electronically filed reports as the Commission moves towards submission by telecommunications and direct integration into the disclosure data base.

2. Methods of transmission. The narrative portion of the NPRM explained that the Commission initially intends to accept reports only on floppy disk. However, the Commission will begin accepting reports submitted through telecommunications as soon as practicable. One commenter urged the Commission to begin accepting reports submitted by electronic mail right away. However, another commenter said that there are space limitations on electronic mail that preclude it from serving this purpose, and that it is not reliable enough to serve as a filing medium.

The Commission continues to believe that a gradual implementation of the electronic filing program will minimize the transitional difficulties and will be more likely to lead to a viable electronic filing system. Accepting reports by electronic mail would raise security issues that the Commission would rather address during the second phase of the electronic filing program. Therefore, the Commission has decided to adhere to its plan to initially accept electronic reports only on floppy disk. The Commission will move toward accepting reports through telecommunications as soon as possible.

Amended Reports

Paragraph (d) of the proposed rules would require that amendments to electronically filed reports be filed electronically. This provision would also require that amendments consist of a complete version of the report as amended, rather than just those portions of the report that have been revised. In the narrative portion of the NPRM, the Commission recognized that requiring submission of a complete version of the amended report has one drawback in that the complete version will not immediately indicate which aspects of the earlier report had changed. Thus, persons reviewing the report will have difficulty identifying new information. The Commission specifically sought comment on whether another approach would be preferable.

All three commenters that addressed this issue supported the approach set out in the proposed rule. One commenter suggested that the Commission require filers to flag revised information in the amended report so that persons reviewing the report will be able to readily determine which portions have been changed. Another commenter said that information that has been amended should be highlighted in the Commission's data base. This would be achieved by replacing the amended field in the original report with the identification number of the amended report containing the superseding information. This commenter also suggested that the Commission produce a cumulative electronic list of amended items.

The final rule tracks the proposed rule in that it requires filers to submit a complete version of the report as amended, rather than just those portions of the report that are being amended. However, the final rule also adopts the commenter's suggestion in that it requires filers to include electronic flags or markings in their amended reports that point to the portions of the report that are being amended. These flags will be incorporated into the Commission's disclosure process so that persons reviewing the committee's reports will know which portions have been revised.

Signature Requirements

1. Committee signatures. Paragraph (e) of the proposed rules would require the committee treasurer or other person responsible for filing the committee's report to verify the report either by submitting a signed paper certification with the computerized magnetic media, or by submitting a digitized copy of the signed certification as a separate file in the electronic submission. This provision would also require the person signing the report to certify that, to the best of the signatory's knowledge, the report is true, correct and complete. These verifications would be treated the same as verification by signature on a paper report. When the Commission begins to accept reports by telecommunications, it may provide other methods for verification, such as providing an encryption key to the committee treasurer or allowing simultaneous mailing of the signature page. The Commission sought comment on these proposals, and invited commenters to suggest other ways for complying with the signature requirement.

One commenter said the Commission should be responsible for comparing electronically submitted signatures with signatures already on file. If the signatures look correct, they should be treated as valid, with the burden of proving otherwise on the person alleging the signature is not genuine.

Comments submitted by the New York City Campaign Finance Board indicate that the Board requires candidates who file on disk to submit a paper control page that lists the schedule totals, file creation dates, and contains the committee treasurer's original signature. Under the system used by New York City, these pages cannot be created until all report data has been entered and submission disks have been created.

As explained above, the Commission's validation program will ensure that electronically filed reports contain all of the necessary information. However, Congress has specifically directed the Commission to ''provide for one or more methods (other than requiring a signature on the report being filed) for verifying reports filed by means of computer disk or other electronic format or method.'' 2 U.S.C. 434(a)(11)(B), as added by Pub. L. No. 104–79, section 1(a), 109 Stat. 791 (1995). Thus, the Commission is unable to require submission of a signature page. For these reasons, the Commission has structured this program so that filers will include all of the required information within the electronic data submitted. With a few exceptions, no paper submissions will be required. The exceptions will be explained further below.

With regard to encryption, another commenter expressed the view that implementing a program such as ''PGP'' or ''Pretty Good Privacy'' to provide a digital signature would be nearly impossible because of the

administrative difficulties of issuing and receiving the necessary keys. This commenter suggested that it would be better to achieve security by issuing a PIN-like password to each filer by regular mail. This commenter also recommended implementation of a cross-checking program under which each filer would submit a signed paper summary page for each report. The amounts listed on the summary page could then be compared to the more detailed portions of the electronically submitted reports to provide an additional level of security and assurance.

The Commission's validation software will compare a report's summary page with its detailed summary page to ensure that they are consistent, thereby providing an additional level of security. However, the Commission has not addressed the encryption issue in this set of final rules. The Commission expects to incorporate a more sophisticated security system into the electronic filing program when it moves closer to accepting reports through telecommunications.

2. Signatures of third parties. The NPRM also noted that certain forms and schedules required by the Act and regulations must be submitted with the signatures of third parties. For example, Schedule E and Form 5, which are used to report independent expenditures, must be notarized. Paragraph (f) of the proposed rules contains a list of the schedules, materials and forms that have special signature requirements. Under this provision, electronic filers that are required to submit these items could do so by submitting a paper copy of the item with their electronic report, or by including a digitized version of the item as a separate file in the electronic submission. This would be in addition to the general requirement that the data contained on the form or schedule be included in the electronic report. The Commission received no comments on this requirement.

The final rule tracks the proposed rule. Filers have the option of submitting paper copies or a digitized image as part of their electronic report.

Preservation of Reports

Section 104.14(b)(2) of the Commission's current regulations requires committee treasurers to retain copies of all reports or statements submitted for a period of three years after they are filed. Paragraph (g) of the proposed rules would require committee treasurers to retain machine readable copies of all reports filed electronically as the copy preserved under this section. Paragraph (g) would also require a treasurer to retain the original signed version of any documents submitted in a digitized format under paragraphs (e) or (f), as explained above.

One commenter argued that PACs should be permitted to retain files exclusively on diskette, and said that keeping a hard copy is redundant and self-defeating.

A file of a report retained on a diskette would be considered a machine readable copy of that report under the final rules. Thus, a committee could retain its reports almost exclusively on diskette. However, if a committee submits a digitized image of the signature page of a report, schedule or other document to the Commission, in lieu of submitting the signed paper original, the committee must retain the signed original signature page for three years after the report is filed. Thus, in certain situations, committees will be required to maintain paper copies of portions of some reports.

Additional Issues

The Notice of Proposed Rulemaking sought additional information and comment from the regulated community on other subjects related to the electronic filing program. Specifically, the NPRM invited commenters to describe their current computer capabilities and indicate what kind of records they are currently maintaining electronically. The NPRM also asked commenters to indicate whether they intend to file their reports electronically, and to describe how they expect to benefit from the electronic filing program. Commenters were also asked to describe the technical and procedural problems they perceive with the system, and provide suggestions on how these problems might be averted.

Several commenters addressed these issues. Two commenters indicated they have PC-based systems and use software such as Microsoft Office, Microsoft Excel, WordPerfect, and Lotus 123. These commenters intend to file their reports electronically once the program has been implemented. In contrast, one software vendor said that the program would not save its clients any time or money. Thus, they would not benefit from participating in the program.

The two commenters who intend to participate in the program said they expect it to make the filing process more efficient by reducing the duplication of efforts in keeping records and submitting reports to the Commission. They hope the program will save staff time and reduce the anxiety of timely filing.

With regard to potential problems, one of these commenters expressed concern that the continued requirement that forms be submitted to state offices would dilute the benefits of the electronic filing system. See 2 U.S.C. 439, 11 CFR Part 108. This commenter also cited the delay in the availability of electronic filing as a source of frustration. Another commenter expressed concern about whether its current equipment would be compatible with the system, and whether the committee would incur significant setup costs in preparing for electronic filing. This commenter also asked whether technical support will be readily available.

Section 2 of Public Law 104–79 waives the duplicate filing requirements in states that have a system for electronically accessing and duplicating reports filed with the Commission. The Commission expects that, in the future, states will make such a system available. Over time, this will reduce the need for filers to generate paper reports to send to their state filing offices. However, as with the requirement for the preservation of reports, section 439 is nondiscretionary for states that do not have an electronic access and duplication system. Therefore, filers in those states will be required to continue generating paper reports and submitting them to their state filing offices.

The electronic filing system that the Commission will implement at the beginning of 1997 should cause very few compatibility problems. Files that have been created or are readable by an operating system compatible with Microsoft DOS 2.1 or higher, including Microsoft Windows, may be submitted under the new system. The Commission does not expect those who wish to file electronically to incur significant setup expenses. Validation software will be available, and the Commission will provide this software free of charge.

As with any computer implementation effort, technical glitches may occur. However, the Commission is committed to establishing a viable electronic filing system, and will provide whatever technical support filing committees need to make the program a success.

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

I certify that the attached final rules, if promulgated, will not have a significant economic impact on a substantial number of small entities. The basis of this certification is that no small entities are required to submit

reports electronically under the final rules.

List of Subjects in 11 CFR Part 104

Campaign funds, Political committees and parties, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, subchapter A, chapter I of title 11 of the Code of Federal Regulations is amended as follows:

PART 104—REPORTS BY POLITICAL COMMITTEES

1. The authority citation for part 104 continues to read as follows:

Authority: 2 U.S.C. 431(1), 431(8), 431(9), 432(i), 434, 438(a), 438(b), 439a.

§ 104.17 [Reserved]

2. Section 104.17 is added and reserved.

3. Section 104.18 is added, to read as follows:

§ 104.18 Electronic filing of reports (2 U.S.C. 432(d) and 434(a)(11)).

(a) *General.* A political committee that files reports with the Commission, as provided in 11 CFR part 105, may choose to file its reports in an electronic format that meets the requirements of this section. If a committee chooses to file its reports electronically, and its first electronic report passes the Commission's validation program in accordance with paragraph (c) of this section, it must continue to file in an electronic format all reports covering financial activity for that calendar year, unless the Commission determines that extraordinary and unforeseeable circumstances have made it impracticable for the committee to continue filing electronically.

(b) *Format specifications.* Reports filed electronically shall conform to the technical specifications described in the Federal Election Commission's Electronic Filing Specifications Requirements. The data contained in the computerized magnetic media provided to the Commission shall be organized in the order specified by the Electronic Filing Specifications Requirements.

(c) *Acceptance of reports filed in electronic format.* (1) Each committee that submits an electronic report shall check the report against the Commission's validation program before it is submitted, to ensure that the files submitted meet the Commission's format specifications and can be read by the Commission's computer system. Each report submitted in an electronic format under this section shall also be checked upon receipt against the Commission's validation program. The Commission's validation program is available on request and at no charge.

(2) A report that does not pass the validation program will not be accepted by the Commission and will not be considered filed. If a committee submits a report that does not pass the validation program, the Commission will notify the committee that the report has not been accepted.

(d) *Amended reports.* If a committee files an amendment to a report that was filed electronically, it shall also submit the amendment in an electronic format. The committee shall submit a complete version of the report as amended, rather than just those portions of the report that are being amended. In addition, the amended report shall contain electronic flags or markings that point to the portions of the report that are being amended.

(e) *Signature requirements.* The committee's treasurer, or any other person having the responsibility to file a designation, report or statement under this subchapter, shall verify the report in one of the following ways: by submitting a signed certification on paper that is submitted with the computerized media; or by submitting a digitized copy of the signed certification as a separate file in the electronic submission. Each verification submitted under this section shall certify that the person has examined the report or statement and, to the best of the signatory's knowledge and belief, it is true, correct and complete. Any verification under this section shall be treated for all purposes (including penalties for perjury) in the same manner as a verification by signature on a report submitted in a paper format.

(f) *Schedules and forms with special requirements.* The following list of schedules, materials, and forms have special signature and other requirements and reports containing these documents shall include, in addition to providing the required data within the electronic report, either a paper copy submitted with the committee's electronic report or a digitized version submitted as a separate file in the electronic submission: Schedule C–1 (Loans and Lines of Credit From Lending Institutions), including copies of loan agreements required to be filed with that Schedule, Schedule E (Itemized Independent Expenditures), Form 5 (Report of Independent Expenditures Made and Contributions Received), and Form 8 (Debt Settlement Plan). The committee shall submit any paper materials together with the electronic media containing the committee's report.

(g) *Preservation of reports.* For any report filed in electronic format under this section, the treasurer shall retain a machine-readable copy of the report as the copy preserved under 11 CFR 104.14(b)(2). In addition, the treasurer shall retain the original signed version of any documents submitted in a digitized format under paragraphs (e) and (f) of this section.

Dated: August 9, 1996.

John Warren McGarry,

Vice Chairman, Federal Election Commission.

[FR Doc. 96–20804 Filed 8–14–96; 8:45 am]

BILLING CODE 6715–01–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

Small Business Size Standards; Reinstate a Class Waiver of the Nonmanufacturer Rule

AGENCY: Small Business Administration.

ACTION: Reinstate a Class Waiver of the Nonmanufacturer Rule for one class of metal products.

SUMMARY: On July 27, 1994, the Small Business Administration (SBA) published a notice in the Federal Register (Vol. 59, No. 143, FR 38115) that terminated: the class waiver for bars and rods, nickel-copper, nickel-copper-aluminum, and high-nickel-alloy and copper, copper-nickel, aluminum-bronze, and naval brass [Federal Supply Code (FSC) 9530, Standard Industrial Classification Code (SIC) 3356] (hereafter referred to as bars and rods); and the class waiver for structural shapes, angles, channels, tees and zees, aluminum and high-nickel-alloy (hereafter referred to as structural shapes). It has been brought to SBA's attention by the Defense Logistics Agency, Defense Industrial Supply Center, that a misclassification occurred because SBA combined these two different groups of metal products into a single classification. This mistake inadvertently resulted in the termination of the class waiver for bars and rods. The SBA is therefore reinstating the class waiver under the Nonmanufacturer Rule for bars and rods. The termination of the waiver of the Nonmanufacturer Rule for structural shapes remains in effect.

EFFECTIVE DATE: August 15, 1996.

FOR FURTHER INFORMATION CONTACT: David Wm. Loines, Office of Government Contracting, phone number (202) 205–6475.

SUPPLEMENTARY INFORMATION: Public Law 100–656, enacted on November 15,