



"Anne W. Squier" <wompsett@earthlink.net> on 04/07/2004 08:24:54 PM

To: politicalcommitteestatus@fec.gov
cc:
Subject: FEC - Comment on Proposed Rules

7 April, 2004

Ms. Mai T. Dinh
Acting Assistant General Counsel
Federal Elections Commission

Re: Proposed Rules Regarding Political Committee Status

Dear Ms. Dinh:

I offer the following comments for the record of the April 14 & 15 hearing on the Proposed Rules Regarding Political Committee Status.

I oppose these proposed rules for numerous reasons. First, the Internal Revenue Code already prohibits 501(c)(3) charities from intervening in political candidate campaigns, and IRS rules for other 501(c) groups prohibit them from ever having a primary purpose to influence any candidate elections -- federal, state, or local. The FEC should not tear up the fabric of tax-exempt law that has existed for decades and under which thousands of nonprofit groups have structured their activities and their governance.

Second, I do not believe McConnell v. FEC requires such a drastic shift in regulation of nonprofit activities. In McConnell the U.S. Supreme Court recognized that the law's limits on unregulated corporate, union and large individual contributions apply to political parties and not interest groups. Congress specifically considered regulating

527 organizations three times in the last several years, and did not subject them to McCain-Feingold.

Third, no case has been made that existing controls on nonprofit expenditures are inadequate.

Fourth, the chilling effect of the proposed rules on free speech cannot be overstated. Merely expressing an opinion about an officeholder's policies could instantly turn a nonprofit group into a federally regulated political committee, with crippling fund-raising implications. Furthermore, under one alternative, the FEC would "look back" at a nonprofit group's activities over the past four years - before McCain-Feingold was ever passed and the FEC ever proposed these rules - to determine whether a group's activities qualify it as a federal political committee. This would be a bit like redefining the tax code today and then retroactively denying deductions for otherwise qualified charitable contributions in prior years.

Finally I believe the proposed changes would undermine the intended results of campaign finance reform. They would impoverish political debate and could act as a de facto "gag rule" on public policy advocacy. Any kind of nonprofit -- conservative, liberal, labor, religious, secular, social service, charitable, educational, civic participation, issue-oriented, large, and small -- could be affected by these rules. A vast number would be essentially silenced on the issues that define them, whether they are organized as 501(c)(3), 501(c)(4), or 527 organizations.

The net effect of the proposed changes would be to diminish rather than strengthen civic participation in government. I urge the FEC to terminate this proposed rulemaking.

Sincerely,

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13402 NW Marina Way

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