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Via E-Mail, Fax and Overnight Mail

Mai T. Dinh, Esquire
Acting Assistant General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: Response to Notice of Proposed Rulemaking: Public Financing of Presidential Candidates and Nominating Conventions

Dear Ms. Dinh:

I represent the Boston Host Committee, which has been organized to host the 2004 Democratic National Convention, and I submit these comments on its behalf regarding the Notice of Proposed Rulemaking ("NPRM") issued by the Commission. Additionally, both I and David Passafaro, President of the Boston Host Committee, request an opportunity to testify at the June 6th public hearing regarding this matter, and any other public hearing regarding the financing of nominating conventions.

The Host Committee and its Community and Civic Purpose

The Boston Host Committee is the collective organization of Boston 2004, Inc. a non-profit corporation and Internal Revenue Code 501 (c)(3) organization and Boston 2004 Host Committee, Inc. a non-profit corporation and Internal Revenue Code 501 (c)(6) organization. The principal, and indeed only, objective of our Host Committee is the "encouragement of commerce in [Boston], as well as the projection of a favorable image of the city to convention attendees." 11 CFR 9008.52(a). There was and is tremendous community support for Boston hosting its first national political convention, and "... from hotel operators to building trades, from the general business community to cultural and academic institutions, we are proud of our City and ready to showcase it to the rest of America and the world." See The National Convention 2004. Published by Office of Mayor Thomas M. Menino.

Without question, the Host Committee has been organized not to enhance or support any branch or entity affiliated with partisan politics or any candidate, but to support the city and region in commercial and civic growth. Members of our Board, as well as our donors, are Independents, Republicans, Democrats or simply have little political interest. Many of our most generous donors would never provide funds to an entity designed to support any type of political activity, even indirectly. Rather, the participation of individuals and companies in activities related to hosting the Democratic National Convention in Boston next year is based solely on a commitment to our city and region, and a recognition that such a significant convention in our city is an invaluable flagship event to develop Boston into an even greater convention and tourist destination, a tremendous boon to our local economy. Indeed, the Boston Host Committee is one of a succession of host committees organized for national conventions for this purpose.

Rulemaking Related to Host Committees Is Not Appropriate At This Time

We understand the Commission's concern about responding to a recent Petition for Rulemaking filed with it concerning the financing of national political conventions. However, we respectfully note that the Petition was not filed in a timely fashion in order to reasonably apply to the 2004 national conventions. The designation for national conventions, given the necessary planning requirements typically occurs 18-20 months prior to the actual convention. Indeed, that schedule is no different than planning which occurs for any large convention of any sort.

For this reason, as early as one year ago, community leaders in Boston began the difficult task of determining how to persuade the respective national political parties that Boston was a desirable destination for their convention. That effort included fundraising, budgeting and planning based upon current law, and great care has been taken to ensure that all of the Host Committee's activities are in compliance with applicable law and regulations. This past December, almost six months ago, a contract was executed between the Democratic National Committee ("DNC"), the Host Committee and other entities which set forth the respective obligations of all parties regarding the enormous task associated with planning and hosting such a substantial event. That contract was predicated upon applicable law and regulations. At this stage, changes to the regulations which would adversely impact the ability of the parties to comply with their contractual obligations is not reasonable, fair or proper.

Moreover, there is no language whatsoever in the Bipartisan Campaign Reform Act ("BCRA") which compels or even anticipates changes to the regulations regarding the financing of national conventions. The regulations related to host committees, which expressly permit the receipt of corporate and individual donations by host committees, have been in existence for approximately twenty years. Despite repeated reviews and changes made to the Federal Election Commission regulations during that period, the Commission has wisely declined to alter in any meaningful way those regulations. That work by the Commission reflects the long-standing and accurate view that the activities of host committees for national conventions have nothing to do with partisan politics.

The Host Committee Is Not A Political Committee, Nor Is It An Agent Of Or Established, Maintained Or Operated By Any National Party Committee Or Its Affiliates

The Host Committee does not support any candidate for political office, nor any political party. We have not nor would we ever make "expenditures or disbursements in connection with an election for federal office." As non-profits, such activity would be improper and not consistent with our mission. Neither our Board nor our donors would ever permit such activity. There is nothing in our contract with the DNC, nor is there anything contained in any budget or planning arrangements, that suggests, contemplates or permits that we expend funds in connection with any election for federal office. As the Commission has noted, host committees such as ours "are not politically motivated but are undertaken chiefly to promote economic activity and good will of the host city." NPRM, 68 Fed. Reg. at 18501, quoting H.R. Doc. No. 95-44, 136 (1977). Without doubt, we are not a political committee under federal law or any other law.

Furthermore, the Host Committee is not an agent of a national political party, nor are we "established, financed, maintained or controlled" by a national political party, and any suggestion to the contrary would be an astounding misrepresentation of the relationship between us and the DNC or any of its affiliates. Applying the provisions of 11 CFR 300.2, it is clear and unambiguous that we do not meet any such criteria. No member of the Boards of the Host Committee was selected or recruited by any officer, employee or agent of the DNC. The DNC has no authority to participate in the governance of the Host Committee. The Host Committee is not engaged in fundraising activities on behalf of the DNC. The Host Committee takes its own votes, hires its own staff, and engages in its own commercial activities. The DNC does not direct or participate in any way in the governance of the Host Committee, through either formal or informal practices. The contract between the DNC and the Host Committee clearly expresses that they are separate and distinct parties, with no agency relationship, and that one does not control the other in any way.

The Boston Host Committee is a prime and consistent example of the composition of host committees established by local community leaders. They are extremely independent, comprised of prominent local community leaders whose objectives are civic-based and not political. Certainly the Boston Host Committee must be considered, as a matter of law, an entity that is not an agent of or established, financed, maintained or controlled by any national political party committee.

Federal Candidates And Officeholders May Fundraise On Behalf Of Host Committees

Because the Host Committee's activities are community and civic based, not political, and not an extension in any way of the DNC, the Commission should not limit in any way fundraising activities by federal candidates or officeholders. The Host Committee is grateful for the commitment by political leaders to supporting the growth of our local businesses and economy. Our political leaders are also our most important community leaders, and have supported so many efforts to develop the appeal of Boston and our region both nationally and internationally. Their activities on behalf of the Host Committee and our efforts to host such a great economic and community activity is no different than other community efforts they engage in, and it should not be limited.

Again, funds raised for the host committee are not political in any way, and will not and cannot be used for political purposes. There is no reasonable argument that the BCRA limits the ability of federal candidates and officeholders to fundraise for civic purposes, and the activities and nature of host committees must not be misconstrued and mischaracterized in order to improperly extend BCRA provisions to activities which clearly continue to be permissible under any fair reading of the law.

The Commission Is Correct In Its View That The "Local" Requirement For Contributions To Host Committees Is An Arbitrary Distinction Which Is No Longer Relevant

The current requirement that only businesses or individuals which are "local" may contribute to host committees is, as the Commission notes, a difficult and arbitrary distinction which should be abolished. In the national and global economy, which is the reality of today's world, businesses from all over the country support large-scale conventions and community activities in every location. In today's world of technology, with the existence of the Internet and the growing trend towards working locations where the geography is meaningless to the actual work, the fact that a company does not have an employee in a physical office in a given location is absolutely irrelevant to the question of whether that company has business interests in a given region.

Boston has been privileged to host many important destination events, including World Cup Soccer, the Shriner's Convention, the U.S. Gymnastics Finals, the Ryder Cup golf tournament, World Biotech Conference, and a Major League Baseball All-Star Game, to name just a few. These events have been supported by companies and individuals from many diverse locations who have recognized that participating in such grand events in a city such as Boston is consistent with being a good national corporate citizen, and consistent with a company's commercial strategy. Boston is now the center of the seventh largest metropolitan area in the nation. People from around the world study at our universities. Our first-rate health care and medical research facilities draw thousands of patients and practitioners from around the world.

The city's diverse economy makes it strong, and it has a valuable foundation of knowledge-based industries which are very attractive to companies seeking to develop business in such locations, no matter where the company offices physically reside. These are the reasons why companies, no matter their geographic location, support significant events in the Boston area, and these reasons have nothing to do with politics. These are the reasons why the Host Committee would be pleased to have the support of companies and individuals from throughout the country, and we urge the Commission to amend its regulations to permit us to do so.

Host Committee's Expenses

We further urge the Commission to leave intact the current regulations regarding the underwriting of expenses by the Host Committee. The current regulations do not result in host committees expending funds for political purposes. The proposed regulations seek to eliminate categories of expenditures from host committee activities without any reasoned justification for doing so. Again, the language of the BCRA does not call for such a change. Such efforts at this

stage for the 2004 convention cycle are not workable, given current contractual obligations and the significant planning which has already been undertaken regarding Boston's hosting of the convention.

Private Events

In a word, it is ludicrous to suggest that BCRA can regulate, much less require, that private events held in Boston during the convention period are subject to Federal Election Commission regulation. Of course, as the NPRM notes, events held by political committees or other regulated entities or individuals would be subject to appropriate application of the law. But events away from the convention venue which are not otherwise regulated by FECA cannot be nor are they regulated in any way by the BCRA. There is no legal or other justification for any intrusion into such matters, and we respectfully urge the Commission to decline to proceed down such an inappropriate path.

Conclusion

Throughout its consideration of the BCRA, Congress was well aware of the existence of the regulations regarding host committees, and of the practices utilized by cities and community leaders in hosting national conventions. Had the Congress intended to alter those activities, and extend the prohibition against the use of corporate and large individual donations by national political parties contained in the BCRA to host committees, that view would have been plainly expressed in the legislation. Regulatory changes without any statutory language supporting such a change is not only uncalled for, but is not supported by any law, and is inconsistent with the Commission's previous and consistent application of the law in these areas.

We appreciate the opportunity to share these comments with you regarding the issues raised by the NPRM. It is most important that the Commission not implement changes to host committee rules in the middle of a convention cycle which would adversely impact the ability of the Boston Host Committee to welcome such an important community event to our great city.

Respectfully submitted,

Boston Host Committee

By its Attorney:

Cheryl M. Cronin

CMC:dg

cc: David Passafaro, President
Julie Burns, Executive Director