



# THE FEDERAL ELECTION COMMISSION

# RECORD

1325 K Street N.W., Washington, D.C. 20463

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## REGULATIONS

### FEC PERMITS CORPORATE AND UNION CONTRIBUTIONS TO NONPARTISAN GROUPS FOR CANDIDATE DEBATES

By a vote of 4 to 2, the Commission approved on December 8, 1977, proposed regulatory language which would permit corporations and labor organizations to donate funds to certain nonprofit groups for use in the sponsorship of candidate debates. The proposed regulation states:

A corporation or labor organization may donate funds for use in the sponsorship of non-partisan public debates if the donation is made to a nonprofit organization which is exempt from Federal taxation under 26 U.S.C. §501(c)(3), which has a history of neither supporting nor endorsing candidates or political parties, and which administers the debates.

Nonprofit organizations which are tax exempt under 26 U.S.C. §501(c)(3) include those which do not attempt to influence legislation or political campaigns and to which contributions are tax deductible.

Last fall, the FEC issued an informational response concerning the League of Women Voters' sponsorship of the 1976 Presidential general election debates. (See *Record*, January 1977, p. 6.) In that statement, the FEC had expressed the view that the League could sponsor the debates, but that "disbursements by the League's Education Fund [were] . . . disbursements 'in connection with' a Federal election and accordingly [could] not be made with funds from corporate or labor organization treasuries . . ."

Prior to adopting the proposed regulation, in a notice published in the *Federal Register* on July 12, 1977, the FEC asked for written comments, possible regulatory language, and factual material related to the sponsorship and funding of candidate debates. (See *Record*, August

1977, p. 2.) In addition, on September 12, 1977, the Commission held public hearings on problems related to the funding of candidate debates. (See *Record*, November 1977, p. 1.)

All regulations proposed by the Commission must be submitted to Congress and may be prescribed by the Commission only after thirty legislative days have passed, during which time either the House of Representatives or the Senate may disapprove the proposed regulation.

## LEGISLATION

### CONGRESS ADOPTS AMENDMENT ON HONORARIA

On December 20, 1977, Congress amended 2 U.S.C. §441i concerning the acceptance of honoraria by elected or appointed officers of the Federal government. The amendments, which were adopted as a rider to the Social Security bill (H.R. 9346), apply with respect to any honorarium received after December 31, 1976. The new provisions are:

1. A Federal officeholder may request that any honorarium be paid not to him/her, but instead to a charitable organization selected by the payor from a list of five or more charitable organizations provided by the officeholder. In this case, the officeholder will not be considered, for purposes of the honorarium limits, to have accepted that honorarium.
2. For purposes of determining the aggregate amount of honoraria accepted by an officeholder during any calendar year, amounts returned to the person paying an honorarium before the close of the calendar year in which it was originally received will be disregarded.
3. An honorarium is considered to have been accepted only in the year in which that honorarium was actually received.

# OPINIONS

## PENDING ADVISORY OPINION REQUESTS

The following chart lists pending Advisory Opinion Requests (AOR's), with a brief description of the subject matter, the date the requests were made public and the number of pages of each request. The full text of AOR's is available to the public in the Commission's Office of Public Records.

AOR	Subject	Date Made Public	Number of Pages
1977-67	Solicitation of Members of Connected Organization	12/7/77	3
1977-69	Magazine Published by Connected Organization of PAC	12/12/77	2
1977-70	Solicitations to PAC	1/10/78	6
1977-71	Solicitations to PAC	12/29/77	7
1978-3	Expenditures by Member of Congress	1/25/78	1
1978-4	Commemorative Committee Honoring Congressman	2/1/78	2
1978-5	Use of Campaign Contributions for Candidate's Personal Living Expenses	2/1/78	1
1978-6	Compensation Paid to Practicing Lawyer Who is Federal Candidate	2/1/78	2
1978-7	Contributions by an Estate	2/14/78	1
1978-8	Stock Ownership Plan	2/7/78	4
1978-9	Activity by State Party Organization	2/7/78	6

## ADVISORY OPINIONS: SUMMARIES

Designated as AO's, Advisory Opinions discuss the application of the Act to specific factual situations. Any qualified person requesting an Advisory Opinion who in good faith acts in accordance with the opinion will not be penalized under the Act. The opinion may also be relied on by any other person involved in a specific transaction which is indistinguishable in all material aspects from the activity discussed in the Advisory Opinion.

## RECONSIDERATION OF

### RE: AOR 1976-106: Stock Ownership Plan

At the request of Continental Oil Company (CONOCO), the Commission agreed on September 22, 1977, to reconsider its response of December 30, 1976, to an advisory opinion request from CONOCO concerning its Employee Stock Ownership Plan. (See Record, January 1977, p. 5.) On December 8, 1977, the Commission failed to approve or reverse the position it had originally set forth in the letter to CONOCO on December 30, 1976. Accordingly, the informational letter (Re: AOR 1976-106) may no longer be regarded as an expression of the majority view of the Commission. (Length: 2 pages)

### AO 1977-44: Solicitations by Federation of Trade Associations

The Association of Trial Lawyers of America (ATLA), a nonprofit membership corporation comprised of individuals, may administer and solicit contributions to the Attorneys Congressional Campaign Trust (ACCT), a multi-candidate committee formed in 1975. ATLA is acknowledged as the "connected organization" of ACCT.

ATLA's affiliate organizations (including branch trial lawyers organizations in four States and official affiliate trial lawyers organizations in 45 States, Puerto Rico and the District of Columbia) are considered trade associations and ATLA is considered a federation of trade associations. Consequently, ATLA and its affiliates may either engage in a joint solicitation of the members of ATLA's affiliated associations, or the affiliated associations may delegate their solicitation rights to ATLA. Moreover, a local organization affiliated with a State affiliate is considered a "local affiliate" of ATLA. Members of these local affiliates are thus within the permissible class of solicitees of the national organization, ATLA. The State affiliates may also solicit members of the local affiliates.

Contributions received by ACCT as a result of improper solicitation of persons who were not members of either ATLA or its affiliates are required to be returned to the

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donors or utilized in a lawful manner which does not constitute a "contribution" or an "expenditure" under the Act. Unsolicited contributions from nonmembers, however, if otherwise lawful under the Act, may be accepted by ACCT.

The advisory opinion explicitly declined to state any conclusion with respect to the legality of past solicitations by ACCT, ATLA or any of its branches or affiliates. (Length: 6 pages)

#### **AO 1977-50: Officeholder Expenses Paid by the National Republican Senatorial Committee**

Certain payments made by the National Republican Senatorial Committee (NRSC) on behalf of particular Senators would not be contributions or expenditures unless the payments were made for the purpose of influencing their nomination or election to Federal office. With regard to a specific list of different types of payments submitted by NRSC for Commission approval, the Commission said it could not determine whether the payment was a contribution or expenditure without evaluating all the circumstances and facts in the situation where a particular payment was contemplated. (The list of payments included, among others, travel for official business, entertainment of constituents and staff salaries.)

If the payments were contributions or expenditures, they would have to be reported by both NRSC and the candidate benefiting from the payment. Even if the payments did not entail the making of contributions or expenditures, NRSC would nevertheless be required to report them as disbursements. Furthermore, the Senator on whose behalf an NRSC payment was made would have to report the payments as receipts and corresponding disbursements under 11 CFR §113.1(a) dealing with "funds donated" to a Federal officeholder "... for the purpose of supporting the activities of a Federal... officeholder." This language would cover circumstances where NRSC made payments to vendors to provide materials or services to participating Senators. (Length: 4 pages)

#### **AO 1977-52: Retiring 1974 and 1976 Debts; Transfer of Debts**

Hess Dyas' 1974 campaign committee (for the House of Representatives) and his 1976 committee (for the Senate) may transfer their debts and obligations to Dyas' 1978 campaign committee (for the House). The 1974 and 1976 committees may then terminate, passing on their reporting obligations for the 1974 and 1976 debts to the 1978 campaign committee. That committee would be required to itemize the 1974 and 1976 (primary election) debts, and contributions designated to retire those debts, separately on Form 3, Schedules A and C.

The 1978 campaign committee may use contributions to retire the 1974 and 1976 debts only if contributors are informed that their contributions will be used in this manner and if the contributions are expressly earmarked for that purpose (for example, by notation on a check). Contributions designated and used to retire the 1974 debt are not limited since no contribution limits applied to that election.

On the other hand, contributions designated to retire the 1976 campaign debts are subject to the 1976 limits. Persons may designate contributions to retire the 1976 debt only to the extent they have not previously "used up" their limits applicable to the Senate primary election in 1976.

The Commission declined to state an opinion on whether the Dyas committee could use excess campaign funds from the 1978 campaign to retire the 1974 and 1976 debts since the question was hypothetical. (Length: 4 pages)

#### **AO 1977-53: Activity by Foreign-Based Trade Association**

The Asia-Pacific Council of American Chambers of Commerce (APCAC) may not establish a political committee to support Federal candidates because it is considered a "foreign national." The Act expressly prohibits a foreign national from making any contributions in connection with a Federal election. 2 U.S.C. §441e. APCAC is deemed to be a foreign national because:

- A "foreign national" includes an association or organization whose place of business is in a foreign country (22 U.S.C. §611(b));
- APCAC is comprised of member American Chambers of Commerce or American business groups (AMCHAM's) located in and having their principal place of business in ten countries; and
- APCAC's budget is provided by its member foreign principals.

Since the statutory prohibition against election-connected contributions by foreign nationals is unqualified, APCAC and the member organizations providing its budget may not establish a "separate segregated fund," as defined in 2 U.S.C. §441b(b)(2)(C). (Length: 3 pages)

#### **AO 1977-64: Use of Excess Campaign Funds**

The distribution of excess campaign funds by Margaret Costanza, former candidate for Congress, to the American Cancer Society and Camp Haccamo is expressly made lawful by 2 U.S.C. §439a, if those organizations are qualified charities under 26 U.S.C. §170(c). (Length: 2 pages)

#### **AO 1977-66: Use of Committee's List of Contributors**

The Title Industry Political Action Committee (TIPAC), a multicandidate committee, may use a list of 1977 contributors to TIPAC for its 1978 solicitation campaign. Even though the list duplicates information submitted on TIPAC's reports to the Commission, the list was compiled by TIPAC from its own information. Moreover, TIPAC's use of its own contributor list for its own solicitation program by its own agents (a committee of State advisory trustees) does not involve the kind of "commercial purpose" prohibited in 2 U.S.C. §438(a)(4). (Length: 2 pages)

#### **AO 1977-68: Federal Candidate May be Employed by Bank**

Peter Cooke, a Federal candidate, may fulfill the terms of his employment contract with Tracy Collins Bank and

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Trust (the Bank) without the compensation being regarded as a contribution or expenditure, provided that "... a bona fide employment relation exists between the parties for purposes genuinely independent of Mr. Cooke's candidacy and that any compensation paid by the Bank to Mr. Cooke is exclusively in consideration of services performed by him as the Bank's legislative lobbyist." Mr. Cooke's contract states, among other provisions, that he will: devote a minimum of 40 hours a week to serving as legislative lobbyist for the bank; not count, as part of his minimum work week, time spent in connection with personal political activity; keep available for Bank inspection a log of political campaign-related phone calls made from Cooke's office at the Bank; and promptly reimburse the Bank for the cost, including added overhead, of any "occasional, isolated or incidental" use of Bank facilities in connection with personal political activity. (Length: 2 pages)

## 800 LINE

The Public Communications Office of the Federal Election Commission receives numerous inquiries from the public on the toll-free line (800/424-9530). The following explanation of some specific reporting requirements is presented in response to several frequently asked questions.

### JOINT FUNDRAISING

Candidates and their authorized committees may engage in joint fundraising with other candidates and political committees. 110.3(a)(2)(i). The following guidelines (offered by the Commission in AO's 1977-14 and 1977-23) should be followed:

### CONTRIBUTION LIMITS

Contributions raised through joint fundraising must comply with contribution limits, per candidate and per year. An accounting system must be used to ensure this compliance.

### ALLOCATION OF CONTRIBUTIONS AMONG PARTICIPATING CANDIDATES

Contributions must be divided among the participating candidates according to a formula predetermined by the candidates. A donor who has already contributed to one of the candidates may, however, allocate his/her contribution to make sure he/she does not exceed the candidate contribution limits.

### SOLICITATIONS

Solicitations must inform the donor:

1. About the formula adopted for allocating funds among the participating candidates.
2. That contribution limits apply to any contributions made to the joint fundraising effort.
3. That the donor has the option to allocate his/her contribution among the participating candidates, rather than allowing it to be divided according to the predetermined formula.
4. How to allocate the contribution among the participating candidates, if the donor chooses to do so.

The Solicitation Notice (102.13) and the Authorization Notice (110.11(a)(1)), required on all solicitations, must identify all the participating candidates.

### FUNDRAISING COSTS

Fundraising costs, including any advances for prepaid expenses, must be allocated among the participating committees according to the same formula adopted for allocating the contributions. Any other allocation results in a contribution (subject to limits) by the committee which pays more than its proportionate share.

### USE OF SEPARATE COMMITTEE

A separate political committee may be designated by the candidates to conduct the joint fundraising, provided that the bank depository designated for the committee's use is also designated by each participating candidate as one of his/her depositories. Distributions by the separate committee are considered transfers from an agent. As such, they are not limited.

### REPORTING

Each candidate (or authorized committee) must report his/her portion of contributions received. Those contributions which exceed \$100, when added to other contributions from the same donor, must be fully itemized on Form 3, Schedule A.

### FEC PUBLIC APPEARANCES

In keeping with its objectives of making information available to the public, the Federal Election Commission regularly accepts invitations for its representatives to address public gatherings on the subject of campaign finance laws and the Commission itself. (For a summary of the Commission's policy on accepting invitations, see the **Record**, July 1977, p. 6.) This regular column will list scheduled Commission appearances, detailing the name of the sponsoring organization, location of the event and the Commission's representative. Any inquiries concerning the event should be addressed to the sponsoring organization.

- |         |   |
|---------|---|
| 3/9     | Hope College<br>Washington, D.C.<br>Commissioner Neil Staebler  |
| 3/10    | The American Land Title Association<br>Mid-Winter Conference<br>Phoenix, Arizona<br>Vice Chairman Joan Aikens       |
| 3/16-17 | Practicing Law Institute<br>"The Corporation in Politics"<br>San Francisco, California<br>Vice Chairman Joan Aikens |
| 3/21    | Public Relations Society<br>Washington, D.C.<br>Jan Baran, Executive Assistant to<br>Vice Chairman Aikens           |

## PUBLICATIONS

### NEW CAMPAIGN GUIDE FOR CANDIDATES

The Commission's most comprehensive **Campaign Guide** was published in February 1978. Focusing exclusively on matters of interest to candidates for the House and Senate, and their campaign committees, the new **Guide** incorporates and elaborates upon material contained in three previous Campaign Guides: **Campaign Guide for Candidates**, **Campaign Guide for Committees** and **Campaign Guide on Contributions and Expenditures**. The new **Guide**, printed as a binder insert, covers the following topics:

- I. Basic Understanding of Contributions and Expenditures
- II. Starting the Campaign
  - A. Definition of Candidate
  - B. Registration Requirements
- III. Conducting the Campaign
  - A. Assessing Campaign Resources: Contributions, Independent Expenditures, Volunteer Activity, Party Expenditures, Personal Funds, Free Legal and Accounting Services
  - B. Other Activities: Fundraising, Traveling, Advertising and Consulting
- IV. Recording Requirements
- V. Reporting Requirements: Who, Where, When, What Forms, How to Fill Out Reports, Waivers, Liability
- VI. Winding Up the Campaign
  - A. Retiring Debts
  - B. Use of Excess Funds
  - C. Termination of Reporting

### SURVEY OF STATE ELECTION OFFICERS: DISCLOSURE OF FEDERAL ELECTION CAMPAIGN REPORTS IN THE STATES

The Federal Election Commission has released an updated Survey on State disclosure of Federal election campaign reports. Under the Act (2 U.S.C. §439), each Secretary of State or equivalent officer is required to:

- Maintain reports on expenditures and contributions made in connection with Federal elections.
- Preserve these reports for a statutory period.
- Make these reports available for public inspection and copying.
- Compile and maintain a current list of all reports, or parts thereof, pertaining to each Federal candidate.

The survey of 50 States was conducted to define problems State election officers experienced in administering §439 of the Act and to formulate recommendations for administrative and legislative changes in this area. Additionally, the responses indicated ways in which the Commission could assist States in fulfilling their responsibilities under the Act.

The survey reported the following key findings:

- Of 49 States responding to the survey, 31 said they would be willing to use a periodic FEC printout listing

of reports and statements to check the completeness of their Federal filings. (As we go to press, 37 States have participated in this project.)

- All but two States said they made reports available to the public in either the original or as a photocopy of the original.
- The cost per page for copying Federal reports ranged from 5 cents a page in Arizona and Pennsylvania to \$1.50 per page in Alabama.
- Nearly 3,000 people per month view the documents at the State level during a "peak period" (between 60 days before an election and 30 days after), compared to approximately 800 people per month at the Washington, D.C. Public Records office during the same period.

Among the recommendations made by States responding to the survey were the following:

- Thirteen State officers suggested that, to perform the required functions under 2 U.S.C. §439, Federal reimbursement for costs of implementation was necessary.
- Ten State election officials noted that the present Federal campaign finance record retention period was too long and should be reduced.
- Most States endorsed the idea that, in any given State, multicandidate committees should file only those documents pertaining to elections held in that State.

#### FORMS:

Forms for candidates and committees to register and report are available at any time by contacting:

Office of Public Communications  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463  
Toll Free: 800/424-9530  
Local: 202/523-4068

Alternatively, candidates and committees may make and use photocopies of standard FEC forms.

## COMPLIANCE

### FEC PUBLISHES LIST OF 1977 NONFILERS

On January 9, 1978, the Federal Election Commission published the names of Federal candidates, their principal campaign committees and other political committees which failed to file required reports of their campaign finances during 1977. Candidates and their authorized committees were required to file a 1976 year-end report on January 31, 1977, if their receipts or expenditures in the fourth quarter of 1976 exceeded \$1,000 or if they had any debts out-

*continued*

standing on December 31, 1976. Candidates and their authorized committees were also required to file a quarterly report (April 10, July 10 and October 10) for any quarter in which the combined total of their receipts and expenditures exceeded \$5,000. All other political committees had to file a 1976 year-end report and 1977 quarterly reports for any quarter in which they raised or spent over \$1,000.

Candidates and committees which were exempt from filing a quarterly report (because their financial activity did not exceed the threshold reporting level described above) nevertheless had to notify the Commission of this fact by letter or the FEC Form 3a postcard at the end of the first quarter in which the exemption applied.

Under FEC procedures, three notices are sent to candidates and committees reminding them of their reporting obligations and urging compliance. If a candidate or committee continues not to file the required report(s) following the mailing of these notices, the name of that "nonfiler" is made public.

The first notice called a "prior notice" is sent on a routine basis prior to each filing date to all candidates on election ballots and to all other candidates and political committees registered with the Commission. This notice simply reminds candidates and committees of the required report and the appropriate filing date. The second notice is sent **only** to candidates and committees whose reports have not been received by the filing date, and states that this "apparent failure to file. . ." gives the Commission "reason to believe" that the candidate or committee is in possible violation of the reporting requirements. The third notice is sent **only** to candidates and committees whose reports are not filed in response to the second notice. It states that continued failure to file has given the Commission "reasonable cause to believe" that they are in possible violation and that failure to respond may subject the candidate or committee to civil penalties.

In addition to publishing the names of nonfilers, the FEC has the authority to undertake enforcement action under the statute, including civil suits and the imposition of civil fines (up to \$5,000 for "any violation" and up to \$10,000 for a "knowing and willful violation").

Included in the list of nonfilers were:

- Two committees exclusively supporting a single Presidential candidate.
- Seven Senate candidates (or their authorized committees).
- One House candidate.
- Twenty-two committees authorized by House candidates.
- Two party committees.
- Five nonparty political committees.

## THE LAW IN THE COURTS

### NATIONAL RIGHT TO WORK COMMITTEE et al. v. FEDERAL ELECTION COMMISSION et al. (Part II)

On December 20, 1977, defendant Federal Election Commission asked the U.S. District Court for the Eastern District of Virginia to dismiss the action of the National Right to Work Committee (NRWC), a corporation, against the Commission. (For a summary of NRWC's position, see the *Record*, December 1977, p. 2.) The Commission made two basic arguments:

"This court lacks jurisdiction over the subject matter of this case . . . since the FEC has been adhering to the congressional scheme for enforcement and review [which] allows only for the FEC to file suit to determine violations of the Act . . ." The Commission pointed out that its decision that "there is probable cause to believe that a violation of FECA has taken place is merely a preliminary step in a process that provides plaintiffs, in defending against a Commission suit, with the opportunity to raise all defenses, argue the applicability of any provisions of the Act and object to the Commission's procedures." Furthermore, the Commission said, "relying on any of the jurisdictional grounds asserted by plaintiffs will effectively short-circuit the detailed operation of the Act and subject its interpretation to a multiplicity of forums."

In its second argument, the Commission said: "Assuming, [for argument's sake], that there may be subject matter jurisdiction, the plaintiffs have still failed to state a claim upon which relief can be granted." Supporting this argument, the FEC asserted, first, that "2 U.S.C. §441b(b)(4) of the Act [which permits membership organizations to solicit their members, but not the general public] does not unconstitutionally infringe on plaintiffs' rights guaranteed to them by the First and Fifth Amendments to the Constitution." The FEC said that the Supreme Court has recognized that a corporation's First Amendment freedoms must be balanced with the right of the society to ensure the integrity of its democratic process, and that the powers of the corporation may have to give away to the greater good. The FEC went on to point out that "since NRWC's Articles of Incorporation foreclose it from being a membership corporation . . ." the solicitation of its "supporters" must be seen as "being directed at the general public, which is exactly what Congress intended to prohibit." The fact that NRWC cannot solicit those who merely "support" it until "it bestows on them the rights and obligations that arise from true membership in a membership corporation is not violative of due process of law."

The FEC further supported its argument that plaintiffs have failed to state a claim upon which relief can be granted by stating the "the FEC is an investigatory and prosecutorial agency vested with broad discretion and as such its compliance procedures do not deprive plaintiffs of due process of law." Claimants have asked for a hearing but, the FEC

points out, "nowhere in the present Act is a hearing required before the FEC can file an enforcement suit in a district court . . ." Moreover, ". . . the decision to seek enforcement of the Act in district court is only a preliminary step in the administrative proceeding and the Supreme Court has repeatedly held that no hearing is required at this stage so long as the requisite hearing is held before a final binding order is issued." Such a hearing will be held when the District Court hears the FEC's enforcement action.

Finally, the FEC argued that its decision not to issue an advisory opinion to the Employee Rights Campaign Committee (ERCC), the political committee administered by NRWC, is valid in light of the nature of the request. ERCC's advisory opinion request concerned the legality of its soliciting NRWC's supporters under the membership organization provision of the Act. Under the Act, the Commission may render opinions only to requests concerning the application of a general rule of law (as stated in the Act and FEC regulations) to a specific factual situation. The Commission contends that, when it requested more information regarding the specific factual situation applicable to ERCC, i.e., the criteria used to determine NRWC's members, ERCC did not supply sufficient information. It was therefore impossible for the Commission to respond to the advisory opinion request and still be in compliance with the Act's requirement that advisory opinions be issued only in regard to specific factual situations.

## FEC v. NATIONAL EDUCATION ASSOCIATION (Part II)

On November 10, 1977, the National Education Association (NEA) and 17 of its State affiliates answered the FEC's suit and filed a counterclaim. (For a summary of the suit, see the *Record*, November 1977, p. 2.) In the counterclaim, defendant asked the District Court for the District of Columbia to declare that:

(a) Political contributions collected by NEA through the reverse checkoff, when that is the only method individuals may use to become NEA members, do not constitute monies required as a condition of membership in violation of Section 441b(b)(3)(A) of the Act;

(b) Political contributions collected by NEA through the reverse checkoff from individuals who elect to utilize payroll deduction instead of the annual cash payment or installment cash payment options, do not constitute monies required as a condition of membership in violation of Section 441b(b)(3)(A) of the Act;

(c) Political contributions collected by NEA through the pre-membership reimbursement system do not constitute monies required as a condition of membership in violation of Section 441b(b)(3)(A) of the Act;

(d) If Section 441b(b)(3)(A) of the Act is applied to prohibit NEA from collecting political contributions through [the various alternative systems set out above], said section violates the rights of NEA and its members under the First and Fifth Amendments to the United States Constitution; and

(e) In prohibiting NEA from requiring political contributions as a condition of membership, Section

441b(b)(3)(A) of the Act violates the right of NEA and its members under the First and Fifth Amendments to the United States Constitution.

The New Jersey Education Association (NJEA), one of the eighteen State affiliates originally named in the lawsuit, has returned all funds collected through the reverse checkoff procedure and has agreed that, unless the legality of the procedure is ultimately upheld, it will not reinstitute the system. Consequently, the Commission has agreed to a dismissal of NJEA from the lawsuit, which the District Court has approved.

## STAFF

### NEW DIVISION OF REPORTS ANALYSIS

Effective January 1, 1978, the Commission established a new division, the Reports Analysis Division comprised of the five Reports Analysis branches previously assigned to the Disclosure Division: Presidential, Nonparty, Party-Related, Senate and House. The Reports Analysis Division is headed by Assistant Staff Director Thomas Haselhorst, who was appointed on February 13, 1978.

The Public Disclosure Division will continue to have responsibility for public records, reports processing, statistical compilation and data entry functions assigned by the Staff Director's Office.

The purpose of the reorganization is to give the Commission greater capability to monitor and enforce the disclosure requirements of the Act, particularly through a more comprehensive analysis of reports, a systematic application of nonfiling procedures and a more structured approach to pre-compliance notifications.

### NEW APPOINTMENTS

During recent months, several new appointments of senior staff were made. James Pehrkon, formerly acting Assistant Staff Director for Data Systems, became the permanent Director of this division on August 14, 1977. Effective October 21, 1977, Robert Costa was appointed Assistant Staff Director in charge of the Audit Division. Mr. Costa had been serving as the acting Director of Audit since May 1977. Mark Gersh was appointed Director of Planning and Management in January 1978. Effective December 4, 1977, Richard Thomas became Coordinator of State Disclosure. He will serve as liaison between State elections offices and the Commission for purposes of implementing §439 of the Act. That section requires States to maintain for public inspection copies of election reports filed by Federal candidates and political committees. In addition to these appointments by the Staff Director, Margaret McCormick began serving as Chairman Thomas Harris' Executive Assistant, effective August 1977.

## STATISTICS

### DATA ON POLITICAL COMMITTEES

The Commission released preliminary 1977 campaign finance figures, showing that 1,360 "political action committees" (PAC's) (committees not connected with a particular candidate or political party) raised a total of \$23.6 million during most of 1977 and spent \$14.8 million, including \$2.7 million in contributions to Federal candidates. A summary of the preliminary figures follows:

**Receipts:** PAC's of trade associations and membership organizations received 34 percent (\$8.1 million) of funds received by all PAC's active in 1977; labor organization PAC's received 31 percent (\$7.2 million) of total receipts; and corporate PAC's received 15 percent (\$3.6 million).

**Expenditures:** Trade association and membership organization PAC's spent 33 percent (\$4.9 million) of the total funds spent by all PAC's active in 1977; PAC's with no "connected organization" made 28 percent (\$4.1 million) of total expenditures by PAC's; labor organization PAC's made 25 percent (\$3.7 million) of total expenditures; and corporate PAC's spent 10 percent (\$1.5 million).

**Contributions:** In direct contributions to candidates and their campaign committees (for either past or current election campaigns), labor organization PAC's made 36 percent (\$987,000) of the total contributions made by all PAC's; trade association and membership organization PAC's made 31 percent (\$834,000) of the contributions; and corporate PAC's contributed 22 percent (\$583,000). Figures also covered the allocation of contributions, by each type of PAC, according to candidates' party affiliation and to the office sought.

**Expenditures on Behalf of Candidates:** Less than one percent of PAC expenditures were made on behalf of candidates. These expenditures included "independent expenditures," honoraria, ballot recount expenditures and payment of legal and accounting costs.

**Registration:** During 1977, 1,360 PAC's were registered in the following categories:

Corporate PAC's	550
Labor Organization PAC's	234
Trade Association, Health and Membership Organization PAC's	438
PAC's with "No Connected Organization"	110
PAC's Established by Cooperatives	8
Corporation Without Capital Stock PAC's	20
TOTAL	1,360

The FEC figures, derived from reports filed by committees themselves, were complete as of September 30, 1977, for committees filing quarterly reports. For committees filing on a monthly basis, figures were complete as of November 30. A complete 1977 study will be released by the Commission once the year-end reports (due January 31, 1978) are analyzed.

### STUDY ON LABOR-RELATED POLITICAL COMMITTEES

A recent FEC study of receipts and expenditures by labor-related political action committees (PAC's) during the 1976 elections shows that the 42 largest labor-related PAC's (those which raised or spent more than \$100,000) made a total of \$8.2 million in contributions to and expenditures on behalf of Federal candidates. These 42 committees, representing only 13.9 percent of all labor-related PAC's active in 1975-76, made 83.6 percent of total expenditures by all the labor-related PAC's. Their total "adjusted" receipts during 1975-76 were \$14.9 million and their total "adjusted" expenditures during the same period amounted to \$14.2 million. (Figures were "adjusted" to exclude transfers of funds between affiliated committees.)

Adjusted expenditures may include, in addition to direct contributions to Federal candidates or expenditures on their behalf, spending for the following items: fundraising costs to raise money for the PAC, staff salaries and other operating expenditures of the PAC, legal and accounting expenditures, contributions to State and local candidates, contributions to National, State, or local political party committees, and other miscellaneous activities of the PAC not directly related to Federal elections or Federal candidates.

The study also indicates that, altogether, 303 labor-related committees filed reports in 1975-76.

## FEDERAL REGISTER NOTICES

FEC documents of general applicability are published in the Federal Register. The following list identifies all FEC documents appearing in the Federal Register between December 20, 1977, and February 22, 1978.

Notice	Title	Federal Register Publication Date	Citation
1978-1	Index to Multicandidate Committees	1/19/78	43 FR 2758

# REPORTS DUE

## CHARTS ON FILING DATES -- 1978 REPORTS

The following charts provide information on the filing dates for quarterly, monthly and pre- and post-election reports required under the Federal Election Campaign Act.

State	Date of Election**	10-DAY PRE-ELECTION REPORT			30-DAY POST-ELECTION REPORT	
		Closing Date of Books	Mailing Date (If Sent by Registered or Certified Mail)	Filing Date	Closing Date of Books	Filing Date (and Mailing Date for Reports Filed by Registered or Certified Mail)
<b>General Election</b>						
All States	November 7	October 23	October 26	October 28	November 27	December 7
<b>Primaries</b>						
*Alabama Runoff	September 5 September 26	August 21 September 11	August 24 September 14	August 26 September 16	September 25 October 16	October 5 October 26
*Alaska	August 22	August 7	August 10	August 12	September 11	September 21
Arizona	September 12	August 28	August 31	September 2	October 2	October 12
*Arkansas Runoff	May 30 June 13	May 15 May 29	May 18 June 1	May 20 June 3	June 19 July 3	June 29 July 13
California	June 6	May 22	May 25	May 27	June 26	July 6
*Colorado	September 12	August 28	August 31	September 2	October 2	October 12
Connecticut	September 12	August 28	August 31	September 2	October 2	October 12
*Delaware	September 9	August 25	August 28	August 30	September 29	October 9
District of Columbia	September 12	August 28	August 31	September 2	October 2	October 12
Florida Runoff	September 12 October 10	August 28 September 25	August 31 September 28	September 2 September 30	October 2 October 30	October 12 November 9
*Georgia Runoff	August 8 August 29	July 24 August 14	July 27 August 17	July 29 August 19	August 28 September 18	September 7 September 28
Guam	September 2	August 18	August 21	August 23	September 22	October 2
Hawaii	October 7	September 22	September 25	September 27	October 27	November 6
*Idaho	August 8	July 24	July 27	July 29	August 28	September 7
*Illinois	March 21	March 6	March 9	March 11	April 10	April 20
Indiana	May 2	April 17	April 20	April 22	May 22	June 1
*Iowa	June 6	May 22	May 25	May 27	June 26	July 6
*Kansas	August 1	July 17	July 20	July 22	August 21	August 31
*Kentucky	May 23	May 8	May 11	May 13	June 12	June 22
*Louisiana	September 16	September 1	September 4	September 6	October 6	October 16
*Maine	June 13	May 29	June 1	June 3	July 3	July 13
Maryland	September 12	August 28	August 31	September 2	October 2	October 12
*Massachusetts	September 19	September 4	September 7	September 9	October 9	October 19
*Michigan	August 8	July 24	July 27	July 29	August 28	September 7

State	Date of Election**	10-DAY PRE-ELECTION REPORT			30-DAY POST-ELECTION REPORT	
		Closing Date of Books	Mailing Date (If Sent by Registered or Certified Mail)	Filing Date	Closing Date of Books	Filing Date (and Mailing Date for Reports Filed by Registered or Certified Mail)
*Minnesota	September 12	August 28	August 31	September 2	October 2	October 12
*Mississippi Runoff	June 6 June 27	May 22 June 12	May 25 June 15	May 27 June 17	June 26 July 17	July 6 July 27
Missouri	August 8	July 24	July 27	July 29	August 28	September 7
*Montana	June 6	May 22	May 25	May 27	June 26	July 6
*Nebraska	May 9	April 24	April 27	April 29	May 29	June 8
Nevada	September 12	August 28	August 31	September 2	October 2	October 12
*New Hampshire	September 12	August 28	August 31	September 2	October 2	October 12
*New Jersey	June 6	May 22	May 25	May 27	June 26	July 6
*New Mexico	June 6	May 22	May 25	May 27	June 26	July 6
+New York	September 12	August 28	August 31	September 2	October 2	October 12
*North Carolina Runoff	May 2 May 30	April 17 May 15	April 20 May 18	April 22 May 20	May 22 June 19	June 1 June 29
North Dakota	September 5	August 21	August 24	August 26	September 25	October 5
Ohio	June 6	May 22	May 25	May 27	June 26	July 6
*Oklahoma Runoff	August 22 September 19	August 7 September 4	August 10 September 7	August 12 September 9	September 11 October 9	September 21 October 19
*Oregon	May 23	May 8	May 11	May 13	June 12	June 22
Pennsylvania	May 16	May 1	May 4	May 6	June 5	June 15
*Rhode Island	September 12	August 28	August 31	September 2	October 2	October 12
*South Carolina Runoff	June 13 June 27	May 29 June 12	June 1 June 15	June 3 June 17	July 3 July 17	July 13 July 27
*South Dakota	June 6	May 22	May 25	May 27	June 26	July 6
*Tennessee	August 3	July 19	July 22	July 24	August 23	September 2
*Texas Runoff	May 6 June 3	April 21 May 19	April 24 May 22	April 26 May 24	May 26 June 23	June 5 July 3
Utah	September 12	August 28	August 31	September 2	October 2	October 12
Vermont	September 12	August 28	August 31	September 2	October 2	October 12
*Virginia	June 13	May 29	June 1	June 3	July 3	July 13
Virgin Islands	September 12	August 28	August 31	September 2	October 2	October 12
Washington	September 19	September 4	September 7	September 9	October 9	October 19
*West Virginia	May 9	April 24	April 27	April 29	May 29	June 8
Wisconsin	September 12	August 28	August 31	September 2	October 2	October 12
*Wyoming	September 12	August 28	August 31	September 2	October 2	October 12

\*States holding Senate elections.

\*\*Caucus or Convention: In States where a party holds a caucus or convention which has the authority to select the party's nominee for the general election, the convention or caucus is considered an election for which pre- and post-election reports are required. In those cases, the date of the convention or caucus counts as the date of the election.

+Dates subject to change by State legislature.

NOTE: Puerto Rico elects a Resident Commissioner every four years. No election for this office will be held in 1978.

**QUARTERLY REPORTS\***

Quarter	Close of Books	Filing Date (and Mailing Date for Reports Filed by Registered or Certified Mail)
First	March 31	April 10
Second	June 30	July 10
Third	September 30	October 10
Fourth (Year-end)	December 31	January 31, 1979

\***Quarterly Waiver:** When the last day for filing any quarterly report occurs within 10 days before or after an election, the filing of such quarterly report is waived and superseded by the timely filing of the pre-election report.

**MONTHLY REPORTS\*\***

Month	Period Covered	Filing Date (and Mailing Date for Reports Filed by Registered or Certified Mail)
February	1/1 - 1/31	February 20
March	2/1 - 2/28	March 20
April	3/1 - 3/31	April 20
May	4/1 - 4/30	May 20
June	5/1 - 5/31	June 20
July	6/1 - 6/30	July 20
August	7/1 - 7/31	August 20
September	8/1 - 8/31	September 20
October	9/1 - 9/30	October 20
Pre-Election	10/1 - 10/23	October 28
Post-Election	10/24 - 11/27	December 7
Year-End	11/28 - 12/31	January 31, 1979

\*\*For committees qualifying for monthly reporting, see explanation in the **Record**, January 1978, p. 1.

**SPECIAL ELECTION IN NEW YORK**

A special election was held on February 14 in New York to fill the House of Representatives seats vacated by Representatives Edward Koch (18th Congressional District) and Herman Badillo (21st Congressional District). All political committees supporting candidates in these elections, either by making contributions to them or making expenditures on their behalf, must file pre- and post-election reports. The 10-day pre-election report, covering all receipts and expenditures through January 30, was due February 4. The 30-day post-election report must be filed by March 16, covering all transactions between January 31 and March 6, 1978.

In addition, committees which supported candidates in a nominating election (party convention) must file 10-day pre- and 30-day post-election reports for that nominating election.

Multicandidate committees already registered and filing on a monthly basis need not file pre- and post-election reports. Their reports are due, instead, on the 20th day of each month.

**CLEARINGHOUSE****ADVISORY PANEL MEETS**

The Clearinghouse Advisory Panel met on January 10 at the Crystal City Marriott, just outside of Washington, D.C. The Panel reviewed past Clearinghouse projects and discussed current and future programs. Vice Chairman Aikens and Commissioner Staebler delivered the opening remarks. Additionally, the Panel heard speakers from the National Association of Counties, the University of South Carolina Social Research Laboratory and the Intergovernmental Personnel Administration of the U.S. Civil Service Commission.

FEDERAL ELECTION COMMISSION  
1325 K STREET, NW  
WASHINGTON, DC 20463

OFFICIAL BUSINESS

POSTAGE AND FEES PAID

