

FEDERAL ELECTION COMMISSION
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REGULATION MODIFIED

WASHINGTON - SEPTEMBER 25 - The Federal Election Commission today voted 6-0 to modify its proposed regulation on treatment of office accounts and excess campaign funds of members of Congress.

The Commission agreed to treat expenditures by an incumbent "for the purpose of supporting (his) activities as a holder of federal office" as campaign expenditures, subject to campaign limits, only during the last two years of a Senator's term, and only during the last year of a Representative's term. However, such expenditures during the initial years of the term could be challenged as being campaign activity subject to the campaign limits.

All contributions to an incumbent's "office account" would still be subject to the limits and prohibitions applying to contributors under the law. Full reports of all contributions and expenditures relating to incumbent office-holder activities funded by contributions to an incumbent would similarly be required throughout the entire term.

The revised regulation also continues to reflect the specific franking law provision that the costs of "preparing or printing" items mailable under the frank are not subject to campaign law contribution or expenditure limits. However, these contributions and expenditures must also be fully reported during the entire term.

Under the original proposed regulation, all expenditures made from incumbent office accounts during the entire office term would have been treated as campaign expenditures subject to the limits of the campaign finance law.

Commission Chairman Thomas B. Curtis said, "In reviewing the testimony on incumbent service presented to the Commission at our public hearings last week, the Commission felt that the time-period during which we could regulate elections was too broad in the original proposed regulation, and that we should not treat office account expenditures during the entire incumbent's term as related to the next election. Our new version would, however, continue the presumption that such expenditures in the years immediately prior to an incumbent's election should properly be deemed as political in nature subject to campaign law limits under the Commission's jurisdiction.

"In addition, by continuing to subject all contributions to such accounts as subject to contribution limits, we avoid a possible loophole in the campaign contribution law. And we also provide for full disclosure of all contributions and expenditures relating to such activities funded from non-appropriated money so the public will have full knowledge about them," he said.

"I think this revised language will accomplish the same purposes as our original language, and eliminates the one serious Congressional objection about the long duration of the proposed regulation," Curtis said.

The original regulation was transmitted to Congress at the end of July, shortly before the August Congressional recess. Congress has the power to disapprove any proposed FEC regulation within thirty legislative days.

The Commission held two days of public hearings on the proposed regulation on September 16 and 17.

On October 2, the Commission will appear at hearings on the proposed regulation being held by the Senate Committee on Rules and Administration.