



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**OPENING STATEMENT OF  
COMMISSIONER MICHAEL E. TONER  
PUBLIC HEARING ON THE FEC'S PROPOSED RULES REGARDING  
NATIONAL CONVENTIONS AND PRESIDENTIAL CANDIDATES  
JUNE 6, 2003**

I want to thank everyone who provided comments in this rulemaking, particularly in light of time pressures of the McConnell v. FEC Supreme Court litigation. All of the comments were informative and will help the Commission to issue final rules.

The Commission's main task in this rulemaking is deciding what impact, if any, the new campaign finance law has on convention financing and the presidential public financing system. In addition, the Commission is considering several potentially important rulemaking proposals that are not required by the new law. I'd like to comment briefly on several key issues and the testimony we received relating to them.

First is the question whether, after BCRA, convention city host committees can continue to raise and spend soft money, as they have in the past, to help underwrite important aspects of hosting a successful national convention. A related issue is whether federal officeholders and national party officials under BCRA can legally help host committees raise soft money.

I continue to believe there is no evidence that Congress, when it passed BCRA, intended in any way to change how national conventions are financed or how host committees operate. Several commentators point out that there is not a single reference in BCRA to the financing of national conventions or to host committees. In addition, numerous commentators note that there was virtually no floor debate on these questions when BCRA was enacted. It defies common sense to conclude that Congress intended to transform the way national conventions are operated when no significant discussion of it took place on the House or Senate floor.

Moreover, prominent Members of Congress who voted for BCRA have made clear that they do not believe the new law in any way restricts their legal ability to raise soft money for host committees. Most prominently, Senator Kennedy has been involved in highly publicized efforts to raise \$20 million in corporate donations for the Boston Host Committee. Furthermore, the Boston Globe reported that Senator Kerry has

likewise assisted in raising Boston host committee funds. It is inconceivable that federal officeholders such as Senator Kennedy and Senator Kerry would raise soft money for the Boston host committee if they believed it was illegal under BCRA. Based on everything in the record thus far, I strongly agree with them.

Second, several of the commentators support a proposal to abolish the Commission's locality requirement for soft money donations to host committees. Under this rule, corporations and individuals must live or do business in the convention locality to contribute to a host committee. As the comments indicate, it is highly doubtful this rule was required by FECA, and there appears to be nothing in BCRA that requires it be retained. Equally important, the rule has made it more difficult for smaller and mid-size cities, whose corporate and business presence is not as great as the nation's largest cities, to successfully hold national conventions. For example, for 2004 there is no question that Boston's corporate presence is not as large as New York's. If the Commission retains the locality rule, it may be more difficult for Boston to raise sufficient host committee resources than it is for New York. We certainly saw that in past years when smaller market cities, such as San Diego in 1996, struggled to raise sufficient funds for its host committee. Unless the law clearly demands it, I don't believe the Commission, through a locality rule, should make it more difficult for smaller market cities to hold national conventions.

Finally, after the Commission proposed new rules for leadership PACs when they are used by Presidential candidates for campaign purposes, I suspected it would trigger a torrent of negative comments. Surprisingly, this has not happened. As I read the comments, I don't see a single commentator opposed to the proposed leadership PAC rule. In fact, both the Center for Responsive Politics and the Republican National Committee indicate that they support the proposal. I cannot recall the last time both of these organizations agreed on a proposed regulation, but I am very pleased they support the Commission taking firm action to regulate presidential candidate leadership PACs.

The Commission is scheduled to complete this rulemaking in the next six weeks. I look forward to working with everyone at the Commission to finish this important project. Thank you.