

milk that may be diverted under the order's diversion limitations. The cooperatives indicated that without immediate action a large part of the milk of their member producers who have regularly supplied the fluid market would have to be moved uneconomically if such milk is not to be excluded from the pool beginning April 1980. The cooperatives also stated that beginning in September 1980 they expect not to have any trouble meeting the order's diversion requirements when the market's supply-demand conditions are expected to return to a more normal pattern.

Because of the urgency of the marketing situation indicated at the hearing and before a complete review could be made of the record evidence and post-hearing briefs, a temporary suspension of the order's diversion limits for April and May 1980 was issued on April 29, 1980 (45 FR 29559). On the basis of an analysis of the hearing record and the post-hearing briefs, it is concluded that the current suspension should be continued through August 1980. Without the suspension the proponent cooperatives would be forced to make uneconomic shipments of a substantial part of their member milk that has been associated with the market on a regular basis in order to qualify it for pooling during the months of June through August 1980.

Mayflower Farms, Inc., a cooperative association who also represents a substantial number of producers on the market, opposed the proponent cooperatives' proposal. The cooperative contended that pooling the increased reserve milk supplies of the proponent cooperatives will "dilute" the pool to the disadvantage of those producers whose milk is needed at pool plants. This, the cooperative argued, would be contrary to the purposes of the order in maintaining orderly marketing. The cooperative maintained proponents did not establish that disorderly marketing conditions exist in the Oregon-Washington market that warrant the emergency action requested.

The opposing arguments are not overriding in this matter. There is no indication that the suspension, which would be effective for only a short period of time, would adversely affect producers as the cooperative contends. Also, it is not likely that the blend prices under the order would be materially enhanced if the diversion limit were continued. The proponent cooperatives have been taking steps to assure the continued pooling of their milk. Presumably, they would continue to do so in the absence of any suspension,

even though hauling inefficiencies were involved. Moreover, the additional reserve milk supplies on the market are not the result of new producers coming on to the market but rather the result of increased production of those producers who have been regularly supplying the market's fluid needs, with such increases coming at a time of stagnation in Class I sales.

Any delay in removing the limit on diversions could result in inefficient handling to assure producer milk status for a substantial quantity of the reserve milk associated with the market beginning in June. Therefore, this suspension order is the only practicable means of assuring continued producer status of the proponent cooperatives' dairy farmer members regularly associated with the market for June, July, and August 1980, without them being forced to make uneconomic movements of milk to pool plants and then reship it to nonpool manufacturing plants. There is insufficient time to resolve the diversion problem for June and July 1980 on an amendatory basis. Although amendatory action for August could be accomplished, it appears reasonable to include all three months under the same type of action. It is concluded, therefore, that the requested relief for all three months should be resolved by this suspension and that the hearing proceeding be terminated.

It is hereby found and determined that thirty days' notice of the effective date hereof is impractical, unnecessary and contrary to the public interest in that:

(a) This suspension is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area in that the most economical method of handling reserve milk supplies is by direct movement from producers' farms to manufacturing outlets. This suspension allows such economical movement of milk while the dairy farmers involved retain producer status;

(b) This suspension does not require of persons affected substantial or extensive preparation prior to the effective date; and

(c) The marketing problem that provides the basis for this suspension action was fully reviewed at a public hearing and all interested parties had the opportunity to be heard on this matter.

It is therefore ordered, that the aforesaid provisions of the order are hereby suspended for June, July and August 1980, and that the proceeding which began April 9, 1980 (Docket No. AO-368-A10) is hereby terminated. (Secs. 1-19, 48 Stat. 31, as amended; U.S.C. 601-674.)

Effective date: May 23, 1980.

Signed at Washington, D.C., on: May 19, 1980.

Jerry Hill,  
Deputy Assistant Secretary for Marketing  
and Transportation Services.

[FR Doc. 80-15871 Filed 5-22-80; 8:45 am]

BILLING CODE 3410-02-M

## FEDERAL ELECTION COMMISSION

### 11 CFR Parts 100 and 110

[Notice 1980-21]

#### Contributions to and Expenditures by Delegates to National Nominating Conventions

**AGENCY:** Federal Election Commission.

**ACTION:** Final Rule; transmittal of Regulations to Congress.

**SUMMARY:** The Commission has transmitted regulations to Congress to govern the application of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 431 *et seq.*), to contributions to and expenditures by delegates to national party nominating conventions. The regulations set forth reporting obligations of delegates and delegate committees under the Act as well as treatment of contributions to and expenditures by delegates and delegate committees.

2 U.S.C. 438(d) requires that any rule or regulation proposed by the Commission to implement Chapter 14 of Title 2, United States Code be transmitted to the Speaker of the House and the President of the Senate prior to final promulgation. If neither House of Congress disapproves the regulation within 30 legislative days after its transmittal, the Commission may finally prescribe the regulation in question. The following regulations were transmitted to Congress on May 14, 1980.

**EFFECTIVE DATE:** Further action, including the announcement of an effective date will be taken after the regulations have been before Congress 30 legislative days in accordance with 2 U.S.C. 438(d).

**FOR FURTHER INFORMATION CONTACT:** Ms. Patricia Ann Fiori, Assistant General Counsel, 1325 K Street, N.W., Washington, D.C. 20463 (202) 523-4143.

**SUPPLEMENTARY INFORMATION:** On September 5, 1979, the Commission published an Advance Notice of Proposed Rulemaking on Contributions to and Expenditures by Delegates to National Party Nominating Conventions (44 FR 51962). The regulations transmitted to Congress incorporate suggestions received in response to the

ANPRM as well as provisions required by the enactment on January 8, 1980, of the 1979 Amendments to the Federal Election Campaign Act of 1971 (Pub. L. 96-187).

Under the regulations as proposed and transmitted to Congress, contributions to a delegate for the purpose of furthering that delegate's selection are not subject to the contribution limitations of 2 U.S.C. 441a(a)(1) and (2), but such contributions would still count against the individual contributor's aggregate contribution limit of \$25,000 per calendar year under 2 U.S.C. 441a(a)(3). Also, contributions to a delegate by the campaign committee of a presidential candidate receiving public financing would count against that candidate's expenditure limitations.

Expenditures by delegates from their personal funds to defray the costs of advocating their own selection are not limited or reportable by the proposed rules. In addition, expenditures by delegates to defray the cost of certain campaign materials, such as pins, bumper stickers, handbills, brochures, posters and yard signs, which advocate the delegate's selection and also mention a presidential candidate are not limited provided the material is used in connection with volunteer activity. However, expenditures by delegates to defray costs incurred in the use of broadcasting, newspapers, magazines, direct mail or similar types of general public communication or political advertising which advocate the delegate's selection and which also mention a presidential candidate may result in an expenditure which would be either chargeable against the Presidential candidate's expenditure limits, an in-kind contribution by the delegate to the candidate, or an independent expenditure reportable by the delegate. The regulations provide that administrative expenses incurred by State and local party committees in connection with the sponsoring of conventions and caucuses are not reportable under the Act. Similarly, payments made by individuals to qualify as delegates would not be contributions or expenditures under the Act and need not be reported as such. In addition, the regulations define the term "delegate committee" and set out registration and reporting requirements for such committees.

The regulations provide that contributions to and expenditures made by delegates or by delegate committees are subject to the prohibitions of 2 U.S.C. 441b and 441e.

#### Explanation and Justification of Regulations Concerning Contributions to and Expenditures by Delegates to National Nominating Conventions

These regulations govern contributions to and expenditures by delegates and delegate committees at all levels of the delegate selection process. Funds received or expended to further the selection of a delegate are contributions or expenditures under the Federal Election Campaign Act. Under 2 U.S.C. 431, the terms "contribution" and "expenditure" are defined, in part, to include amounts received or expended " \* \* \* for the purpose of influencing any election for Federal office." 2 U.S.C. 431(8)(A)(i), 431(9)(A)(i). The term "election" is defined to include a national nominating convention, as well as any primary election held to select delegates to such a convention. 2 U.S.C. 431(1) (B) and (C). In addition, the term "federal office" includes the Office of President. 2 U.S.C. 431(3). Amounts received or spent to further the selection of a delegate are received or spent for the purpose of influencing a national nominating convention or for the purpose of influencing a primary election held to select delegates to such a convention. Hence, such amounts fall squarely within the definition of the terms "contribution" or "expenditure" under the Act.

The term "delegate" includes those individuals who seek to become delegates as well as those individuals who are selected as delegates. "Delegate committee" is defined as a political committee which receives contributions or makes expenditures for the purpose of influencing the selection of delegates to a national nominating convention and includes any group of individuals supporting delegates, as well as any group of individuals seeking selection as delegates.

If several persons acting as a group receive contributions or make expenditures in an aggregate amount exceeding \$1,000 in a calendar year for the purpose of influencing the selection of any delegate(s), the group is a political committee as defined by 2 U.S.C. 431(4). A delegate committee would be treated as any other political committee is treated under the Act. Thus, delegate committees, by virtue of their status as political committees, must register and report their contributions and expenditures in accordance with 2 U.S.C. 433 and 434. Contributions made by such committees would be subject to limitation under 2 U.S.C. 441a(a); contributions to a delegate committee are subject to limitation under 2 U.S.C. 441a; and all expenditures by such committees must

be reported in accordance with the provisions of 2 U.S.C. 434 and 11 CFR Part 104.

A delegate who acts as an individual to further his or her own selection is treated differently under the regulations than a delegate committee. While amounts received or spent by such a delegate are contributions or expenditures, a delegate is not a candidate under the Act. The term "candidate" is defined as " \* \* \* an individual who seeks nomination for election, or election to Federal office \* \* \* " 2 U.S.C. 431(2). Since a delegate does not seek nomination or election to a federal office, he or she is not a "candidate" under the Act.

The Act imposes limitations only on contributions to *candidates* or *political committees*. 2 U.S.C. 441a(a). Thus, contributions to a delegate to further his or her selection as a delegate are not limited by the Act. However, even though no limitation is placed on the amount of a contribution to a delegate, such contributions count against a contributor's \$25,000 limitation under 2 U.S.C. 441a(a)(3). Moreover, because the Act imposes reporting requirements only on contributions to candidates and political committees, contributions to a delegate are not required to be reported. In addition, it should be noted that contributions made to a delegate for the purpose of furthering his or her selection are not considered contributions to any presidential candidate, regardless of whether or not the delegate is pledged to or supports a particular presidential candidate.

Because the Act imposes reporting requirements on expenditures by candidates or political committees, expenditures made by a delegate for the purpose of advocating only his or her own selection are neither limited nor reportable under the act. Examples of such expenditures are: travel and subsistence during the delegate selection process, including the national nominating convention; and the costs of any communications advocating only a delegate's selection. Moreover, expenditures of this type are not chargeable against the expenditure limitations of any presidential candidate under the Act.

The Act exempts from the definition of contribution and expenditure the payment by a "candidate \* \* \* to any public office (including State or local office)" of the cost of certain campaign material such as pins, bumper stickers, handbills, brochures, posters and yard signs, which include reference to any other candidate for Federal office, provided that such campaign materials are used in connection with volunteer

activities. 2 U.S.C. 431(8)(B)(xi). This exemption was designed to permit candidates to seek office as a team. 125 Cong. Rec. H7628 (daily ed. Sept. 10, 1979) (remarks of Mr. Frenzel). Since similar campaign activity in the delegate selection process should be encouraged, the subsections governing expenditures by delegates incorporate this exemption.

Thus, expenditures made by a delegate to defray the costs of certain campaign materials (such as pins, bumper stickers, handbills, brochures, posters and yard signs) which advocate the selection of a delegate and which also include reference to any presidential candidate are not subject to limitation and need not be reported under the Act as long as the materials are used in connection with volunteer activities and further, that such expenditures are not for costs incurred for the use of broadcasting, newspapers, magazines, billboards, direct mail or other similar types of general public communication or political advertising.

Expenditures by a delegate to defray costs incurred in the use of broadcasting, newspapers, magazines, direct mail or similar types of general public communication or political advertising which advocate the delegate's selection and which also mention a presidential candidate are not limited or reportable unless the expenditures are either contributions in-kind to the presidential candidate or independent expenditures advocating the election of the presidential candidate. Delegate expenditures which qualify as in-kind contributions, that is, they are made by the delegate in cooperation, consultation or concert with, or at the request or suggestion of the candidate or his or her authorized political committee(s) are subject to contribution limitations, must be reported by the presidential candidate's authorized political committees and, are chargeable against the presidential candidate's statutory expenditure limitations.

Alternatively, expenditures by a delegate to defray the cost incurred in the use of broadcasting, newspapers, magazines, billboards, direct mail or similar types of general public communications or political advertising are independent expenditures if they are made to expressly advocate the election of a clearly identified presidential candidate and are not made with the cooperation or prior consent of or at the request or suggestion of the presidential candidate. If such independent expenditures by an individual delegate exceed \$250 during a calendar year, the

delegate must report them in accordance with the Act. (See 2 U.S.C. 434(c)).

The general prohibitions of 2 U.S.C. 441b on contributions and expenditures by corporations, labor unions, and national banks apply to all contributions to and expenditures by delegates and delegate committees.

Administrative expenses incurred by State and local party committees in connection with the sponsoring of conventions and caucuses are not reportable under the Act but they may not be paid with contributions which are otherwise prohibited by the Act.

Ballot fees paid to State or local party committees by individuals to qualify as delegates are not contributions or expenditures under the Act. Such payments are not subject to limitation under the Act and they need not be reported by the party committee.

11 CFR Chapter I is amended as follows:

#### **PART 100—SCOPE AND DEFINITIONS (2 U.S.C. 431)**

1. 11 CFR 100.5(e)(5) is added to read as follows:

##### **§ 100.5 Political committee (2 U.S.C. 431 (4), (5), (6)).**

\* \* \* \* \*

(e) \* \* \*

(5) *Delegate Committee.* A delegate committee is a political committee which receives contributions or makes expenditures for the purpose of influencing the selection of delegates to a national nominating convention. The term "delegate committee" includes a group of delegates, a group of individuals seeking selection as delegates and a group of individuals supporting delegates. (See definition of "delegate" at 11 CFR 110.14(b)(i).)

#### **PART 110—CONTRIBUTION AND EXPENDITURE LIMITATIONS AND PROHIBITIONS**

2. 11 CFR 110.5(d) is added to read as follows:

##### **§ 110.5 Annual contribution limitation.**

\* \* \* \* \*

(d) Contributions to delegates or delegate committees count against the individual contributor's aggregate annual contribution limit in 11 CFR 110.5(a).

3. 11 CFR 110.14 is added to read as follows:

##### **§ 110.14 Contributions to and expenditures by delegates.**

(a) 11 CFR 110.14 applies to all levels of a delegate selection process and sets forth the prohibitions, limitations and

requirements applicable under the Act to delegates.

(b) *Definitions.*—(1) *Delegate.* "Delegate" means an individual who becomes or seeks to become a delegate, as defined by State law or party rule, to a national nominating convention or to a State, district, or local convention, caucus or primary which is held to select delegates to a national nominating convention.

(2) *Delegate Committee.* A delegate committee is a political committee which receives contributions or makes expenditures for the purpose of influencing the selection of delegates to a national nominating convention. The term "delegate committee" includes a group of delegates, a group of individuals seeking selection as delegates and a group of individuals supporting delegates.

(c) *Contributions to Delegates.* Contributions to a delegate for the purpose of furthering that delegate's selection are not subject to the limitations of 11 CFR 110.1 and 110.2 and 2 U.S.C. 441a(a)(1) and (2); nor are such contributions reportable under 11 CFR Part 104 or 2 U.S.C. 434. (See 11 CFR 110.14(e) for limitations and reporting requirements relating to contributions to delegate committees.) However, if an individual makes such a contribution, it counts against that individual's aggregate contribution limit of \$25,000 in a calendar year under 11 CFR 110.5 and 2 U.S.C. 441a(a)(3). Contributions made to a delegate by the campaign committee of a presidential candidate count against that presidential candidate's expenditure limitation under 11 CFR 110.8(a) and 2 U.S.C. 441a(b).

(d) *Expenditures by Delegates.* (1) Expenditures by a delegate from contributions to him or her, or from personal funds, to defray costs incurred to advocate only his or her own selection are neither subject to limitations under 11 CFR Part 110 and 2 U.S.C. 441a nor reportable under 11 CFR Part 104 and 2 U.S.C. 434. (See 11 CFR 110.14(e) for reporting requirements relating to delegate committees.) Such costs may include but are not limited to: costs of travel and subsistence during the delegate selection process, including the national nominating convention, and the cost of any communications advocating only a delegate's selection. Such expenditures are also not chargeable against the expenditure limits of any presidential candidate under 11 CFR 110.8(a) or 2 U.S.C. 441a(b). (2)(i) Expenditures by a delegate from contributions to him or her or from personal funds for costs of certain campaign materials (such as pins, bumper stickers, handbills,

brochures, posters and yard signs) which advocate the selection of a delegate and which also include information on or reference to any candidate for the office of President are not reportable by the delegate under 11 CFR Part 104 and 2 U.S.C. 434. (See 11 CFR 110.14(e) for reporting requirements relating to delegate committees.) Such expenditures are neither contributions to the presidential candidate subject to limitations under 11 CFR 110.1(a) and 2 U.S.C. 441a(a)(1) nor expenditures which count against the expenditure limitation of the presidential candidate under 11 CFR 110.8(a) and 2 U.S.C. 441a(b), provided that:

(A) Such materials are used in connection with volunteer activities; and

(B) Such expenditures are not for costs incurred in the use of broadcasting, newspapers, magazines, billboards, direct mail or similar types of general public communication or political advertising.

(ii) Expenditures by a delegate from contributions to him or her or from personal funds for costs incurred in the use of broadcasting, newspapers, magazines, billboards, direct mail or similar types of general public communication or political advertising which advocates the selection of a delegate and which also includes information on or reference to a candidate for the office of President are neither subject to limitations under 11 CFR 110.1(a) and 2 U.S.C. 441a(a)(1) and (2), nor reportable under 11 CFR Part 104 and 2 U.S.C. 434, except as provided 11 CFR 110.14(d)(2)(ii)(A)(B). (See 11 CFR 110.14(e) for reporting requirements relating to delegate committees.)

(A)(1) Such expenditures are subject to limitations if they are in-kind contributions to the presidential candidate. Such expenditures are in-kind contributions to the presidential candidate under 2 U.S.C. 441a(a)(7) if the delegate makes such expenditures in cooperation, consultation, or concert with, or at the request or suggestion of the presidential candidate, his or her authorized political committee(s), or their agents. Such an in-kind contribution is subject to the contribution limitations of 11 CFR 110.1 and 2 U.S.C. 441a(a)(1) and must be reported by the presidential candidate's authorized committee(s) as a contribution under 11 CFR Part 104 and 2 U.S.C. 434. Except as provided in 11 CFR 110.14(d)(2)(ii)(A)(3). Such in-kind contributions are chargeable against the presidential candidate's expenditures limitation under 11 CFR 110.8(a) and 2 U.S.C. 441a(b).

(2) If the delegate finances the dissemination, distribution or

republishing, in whole or in part, of any broadcast or materials prepared by the presidential candidate, his or her authorized committee(s) or their agents, such expenditure shall not be chargeable against that candidate's expenditure limitations unless it was made with the cooperation, or with the prior consent of, or in consultation with, or at the request or suggestion of, the candidate or any authorized agent or committee thereof.

(B) Such expenditures are not subject to limitations, but are reportable if they are independent expenditures. Such expenditures are independent expenditures under 11 CFR 109.1(a) and 2 U.S.C. 431(17), if they are made to expressly advocate the election of a clearly identified presidential candidate and are not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, the presidential candidate or authorized committee of such candidate. Such independent expenditures are not limited but must be reported by the delegate in accordance with 11 CFR 109.2 and 2 U.S.C. 434(c) and are otherwise subject to the requirements of 11 CFR Part 109. The disclaimer requirements of 11 CFR 110.11 are applicable to such independent expenditures.

(C) Only that portion of such expenditures allocable to the presidential candidate shall be considered an in-kind contribution to the candidate and an expenditure chargeable against the candidate's expenditure limitations. Only that portion of an independent expenditure allocable to the presidential candidate shall be reportable as an independent expenditure.

(D) For purposes of 11 CFR 110.14(d)(2), "direct mail" means any mailing(s) by commercial vendors or any mailing(s) made from lists which were not developed by the delegate.

(e) *Delegate Committees.* Delegate committees as defined at 11 CFR 100.5(e)(5) which qualify as political committees under 11 CFR 100.5 and 2 U.S.C. 431(4) must register with the Commission pursuant to 11 CFR Part 102 and 2 U.S.C. 433, and file reports of contributions received and expenditures made pursuant to 11 CFR Part 104 and 2 U.S.C. 434. Contributions to delegate committees are subject to limitation under 11 CFR 110.1 and 2 U.S.C. 441a(a). Contributions made by delegate committees are subject to limitations under 11 CFR 110.1 and 2 U.S.C. 441a(a).

(f) *Prohibited Sources.* All contributions to and expenditures by any delegate or by a delegate committee are subject to the prohibitions of 11 CFR

110.4(a), Part 114 and 2 U.S.C. 441b and 441e.

(g) *Administrative Expenses of Party Committees and Payments to Qualify as Delegates.* (1) Administrative expenses incurred by local, county, district or State party committees in connection with the sponsoring of conventions or caucuses during which delegates to a national nominating convention are selected, are not reportable under the Act; however, such expenses may not be paid from contributions or expenditures which are prohibited under 11 CFR 110.4(a) and Part 114 and 2 U.S.C. 441b and 441e.

(2) Payments to a State or district party committee by individuals for the purpose of qualifying as delegates would not be contributions or expenditures under the Act, nor would such payments be reportable under 11 CFR Part 104 and 2 U.S.C. 434 or subject to limitation under 11 CFR Part 110 and 2 U.S.C. 441a.

Dated: May 19, 1980.

Max L. Friedersdorf,  
Chairman, Federal Election Commission.

[FR Doc. 80-15918 Filed 5-22-80; 8:45 am]

BILLING CODE 6715-01-M

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 265

[Docket No. R-0296]

#### Rules Regarding Delegation of Authority

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Technical Amendment to Final Rule.

**SUMMARY:** This rule change provides a technical amendment advancing the "sunset" provision contained in the final sentence of 12 CFR 265.1a(c) to June 30, 1982, for the delegation of authority contained in § 265.1a(c). This action will continue the delegation of authority by the Board of Governors to any three Board members designated by the Chairman to act on certain matters in the absence of a quorum of the Board where delay would be inconsistent with the public interest.

**EFFECTIVE DATE:** May 19, 1980.

**FOR FURTHER INFORMATION CONTACT:** Robert E. Mannion, Deputy General Counsel, 202/452-3274, or Sara A. Kelsey, Attorney, 202/452-3236, Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** From time to time, the Board is required to act