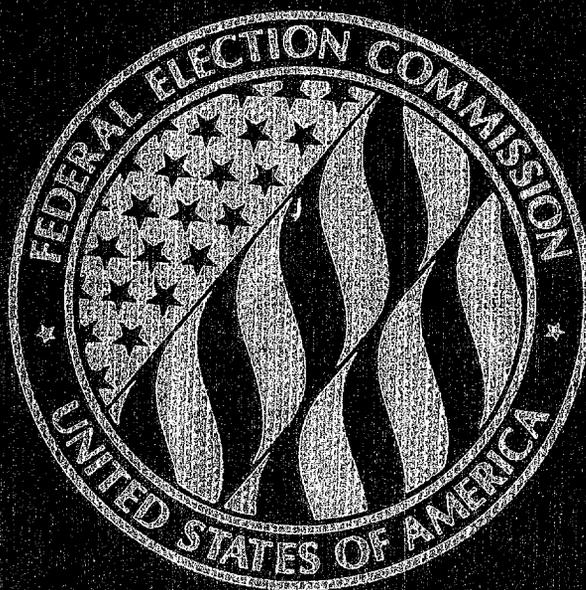


LEGISLATIVE HISTORY
OF
FEDERAL ELECTION
CAMPAIGN ACT
AMENDMENTS
OF
1979



LEGISLATIVE HISTORY
OF
FEDERAL ELECTION
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OF
1979



THE
FEDERAL ELECTION
COMMISSION

LEGISLATIVE HISTORY
OF
FEDERAL ELECTION
CAMPAIGN ACT
AMENDMENTS
OF
1979



The Federal Election Commission
1325 K Street, Northwest
Washington, D.C. 20463

October 1983

(II)

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PREFACE

The Federal Election Commission is publishing this legislative history of the 1979 Amendments to the Federal Election Campaign Act of 1971 in order to provide to Commissioners and Commission staff, the Congress, and candidates and committees affected by the Federal Election Campaign Act, easy access to the bills, accompanying reports, and floor debates from which the law was derived.

The material is presented in a chronological fashion, and is comprehensively indexed.

The legislative history was compiled, edited, and indexed under the supervision of the Office of General Counsel.

The Commission hopes that this legislative history will aid all those affected by the Federal Election Campaign Act in better understanding and complying with the Act.

HEARING
BEFORE THE
COMMITTEE ON
RULES AND ADMINISTRATION
UNITED STATES SENATE
NINETY-SIXTH CONGRESS
FIRST SESSION

TO AMEND
THE FEDERAL ELECTION CAMPAIGN ACT OF 1971
AS AMENDED, AND FOR OTHER PURPOSES

JULY 13, 1979

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS, 1979

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AS AMENDED, AND FOR OTHER PURPOSES

JULY 13, 1979



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(III)

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS, 1979

FRIDAY, JULY 13, 1979

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
Washington, D.C.

The committee met, pursuant to call, at 10 a.m., in room 301, Russell Senate Office Building, Hon. Claiborne Pell (chairman), presiding.

Present: Senators Pell, Cannon, Hatfield, and Schweiker.

Staff present: William M. Cochrane, staff director; Chester H. Smith, chief counsel; Thomas K. Decker, minority staff director; Raymond N. Nelson, professional staff member; John K. Swearingen, director, technical services; Winfield Major, counsel (elections); Jack L. Sapp, professional staff member; Donald F. Massey, minority counsel; Elaine W. Milliken, minority counsel (elections); John L. Sousa, counsel (elections); Peggy L. Parrish, chief clerk; and Paul E. Goulding, professional staff member.

OPENING STATEMENT OF HON. CLAIBORNE PELL, CHAIRMAN OF THE COMMITTEE ON RULES AND ADMINISTRATION

The CHAIRMAN. The Committee on Rules and Administration will come to order.

Today we are going to conduct hearings on long-overdue amendments to the Federal Election Campaign Act. We also have a certain amount of committee business to do as well, so we hope the hearing can move as expeditiously as possible.

The basis for the committee's consideration is a bill from the 95th Congress, S. 926, which passed the Senate by a vote of 88 to 1 on August 3, 1977. Although this legislation was not enacted because of complications on the House side, the bill contained many important provisions which have received strong bipartisan support as necessary revisions to the Campaign Act.

The committee has also included in its working draft some of the legislative recommendations of the Federal Election Commission. The Commission's experience with the act over the past 4 years has provided valuable suggestions for simplifying the act's reporting requirements and improving its administration.

Although the Commission has been subject to criticism recently because of problems encountered in administering the Federal Election Campaign Act, some of that criticism can legitimately be directed at the Congress which enacted this exceedingly complicated statute. It is my hope that today's hearing will launch the Congress on a construc-

(1)

tive effort to improve and simplify the act so that the Commission and the public will have a law that is fairer, simpler, and more easily understood.

The laudable goals of disclosure and limitations on the influence of money in Federal campaigns must be enhanced; however, we must also breathe new life into the political process by easing the bureaucratic obstacles for individuals and committees to participate in political campaigns. I believe the legislation we are considering today takes a positive step in that direction.

I want to emphasize my hope that these amendments retain their strong base of bipartisan support, and that the committee move expeditiously to have these amendments in place before the 1980 campaigns begin in earnest.

I would like to welcome the witnesses we have here today, and would ask Chairman Tiernan and Commissioner Friedersdorf to present their testimony. Do you have some documents you want to give me?

Mr. TIERNAN. Yes, if I can pick them up.

The CHAIRMAN. Thank you. I would guess that bundle weighs about 5 or 6 pounds, wouldn't you?

Mr. TIERNAN. At least that. It's closer to 10.

The CHAIRMAN. Thank you. I appreciate the patience and time you took in rendering those replies. Let's now move on.

STATEMENT OF ROBERT O. TIERNAN, CHAIRMAN, FEDERAL ELECTION COMMISSION, ACCOMPANIED BY MAX FRIEDERSDORF, VICE CHAIRMAN, ORLANDO B. POTTER, STAFF DIRECTOR, AND WILLIAM C. OLDAKER, GENERAL COUNSEL

Mr. TIERNAN. Mr. Chairman and members of the committee, I am Robert Tiernan, Chairman of the Federal Election Commission. With me today is Vice Chairman Max Friedersdorf. Also, to my left, is Mr. Orlando B. Potter, who is the staff director of the Commission, and to my right is Mr. William Oldaker, our General Counsel.

We are here today to testify on the FEC's recommendations for amendments to the Federal Election Campaign Act of 1971, as amended [FECA].

I would like to thank the committee on behalf of the Commission for the opportunity to testify on improvements to the Federal Election Campaign Act. We look forward to working with the committee in improving the current campaign finance statute.

In 1976 Congress enacted the fourth major overhaul of campaign financing laws in slightly over 4 years. During implementation of the 1976 amendments, the FEC kept a continually updated list of apparent statutory omissions, inadequacies, and other problems. This list served as the basis for the legislative recommendations made by the Commission in its 1976 annual report. Several additional recommendations were made in the 1977 annual report.

The Federal Election Commission repeats its support for its 1976 and 1977 recommendations, and includes additional recommendations in its latest 1978 annual report, which was transmitted to the Congress this past March. The full text of our legislative recommendations, as they appear in the Federal Election Commission's 1978 annual report,

has been submitted to the committee as appendix A to this statement. The written statement highlights the major recommendations contained in the annual report. At this point I would request that my full statement and the appendix be included in the record while I briefly summarize our recommendations.

The CHAIRMAN. Without objection.

Mr. TIERNAN. Thank you.

[The prepared statement of the Federal Election Commission is as follows:]

STATEMENT OF THE
FEDERAL ELECTION COMMISSION
BEFORE THE
COMMITTEE ON RULES AND ADMINISTRATION
UNITED STATES SENATE
FECA AMENDMENTS

July 13, 1979

Mr. Chairman, Members of the Committee:

I am Robert Tiernan, Chairman of the Federal Election Commission (FEC). With me today is Max Friedersdorf, Vice Chairman of the FEC. We are here today to testify on the FEC's recommendations for amendments to the Federal Election Campaign Act of 1971, as amended (FECA).

First, I would like to thank the Committee on behalf of the FEC for the opportunity to testify on improvements to the FECA. We look forward to working with the Committee in improving the current campaign finance statute, and will be happy to assist the Committee in its efforts in any way possible.

In 1976, Congress enacted the fourth major overhaul of campaign financing laws in slightly over four years. During implementation of the 1976 Amendments, the FEC kept a continually updated list of apparent statutory omissions, inadequacies and other problems. This list served as the basis for the legislative recommendations made in the FEC's 1976 Annual Report. Several additional recommendations were made in the 1977 Annual Report.

The FEC reiterates its support for its 1976 and 1977 recommendations, and includes additional recommendations in its latest Annual Report, which was transmitted to the Congress this March. The full text of our legislative recommendations, as they appear in the FEC's

1978 Annual Report, has been submitted to the Committee as Appendix A to this statement. In the testimony today, I will only highlight the major recommendations.

There are several areas which any current revisions of the FECA should address: 1) simplification of the disclosure process; 2) encouragement of grass roots activity and 3) clarification of the requirements of the FECA. Furthermore, the FEC advocates certain other specific changes in FEC procedures and duties, and in the judicial review provisions, to improve implementation of the FECA.

I. SIMPLIFICATION

The disclosure process should be simplified to the greatest extent possible. Simplification of the reporting requirements of the FECA is consistent with full disclosure. In fact, simplification will encourage full disclosure by making it easier for candidates and committees to fully comply with the FECA. With fewer reports to file, candidates and committees should be able to file reports with fewer errors, and should need to devote less resources to their preparation.

The FEC is especially aware of the burden that current reporting obligations place on candidates and their principal

campaign committees. The FEC therefore recommends changes in the reporting schedule. These changes would reduce the number of reports required to be filed from a maximum of 24 each election cycle to 9 each cycle, a reduction of over 60% of the reports without any reduction in disclosure.

This substantial reduction in the reporting burden could easily be achieved by:

- (1) permitting candidates to opt for either candidate or committee reporting; and,
- (2) elimination of the 30 day post-primary report; and
- (3) only requiring semi-annual reports during non-election years.

A similar reduction could be made in the reporting burden currently placed on political committees (other than multicandidate committees), independent exponents, and State and local party committees. Adoption of the reporting schedule recommended by the FEC would also reduce the number of reports required from such committees during each two-year election cycle from 24 to 9.

This reduction in the number of reports to be filed would reduce the costs to the taxpayer of filing, copying, and reviewing these reports at the FEC as well as at the offices of the Secretary of the Senate, Clerk of the House and State filing officers.

Reporting	Number of Reports Required Two-Year Cycle	Election Year	Nonelection Year
A. Current Law			
Presidential Candidates	16	Monthly reports.	Quarterly
Candidates' Principal Campaign Committees (PCC)	24	Quarterly (if receipts or expenditures are over \$1,000), 10-day pre-election and 30-day post-election (primary and general); year-end.	Quarterly (if over \$5,000); year end.
Multicandidate Committees	12-24	Choice of: Quarterly (if over \$1,000), 10-day pre-election and 30-day post-election (all primaries and general), year-end; or monthly.	Choice of: Quarterly (if receipts or expenditures exceed \$1,000), plus pre- and post-election reports if special election involvement, or monthly.
B. Recommendations			
Presidential Candidates	16	Monthly reports.	Quarterly reports.
Candidates and PCCs together	9	April 10, July 10, October 10, 12-day pre-election (primary and general), 30-day post-general election, and year-end reports.	July and year-end reports.
Qualified Multicandidate Committees and National Party Committees	14-24	Monthly reports.	Choice of: monthly; or July and year-end report (plus pre- and post-election reports if involved in special elections).
Other Nonparty Committees, Independent Expenditures Filers, State and Local Party Committees	9	April 10, July 10, October 10, plus 12-day pre-election (primary and general), 30-day post-general, and year-end reports.	July and year-end.

Other amendments to the disclosure requirements which the FEC recommends are:

- Eliminate the need for multicandidate committees to amend their statement of organization each time they support a new candidate.
- Eliminate certain superfluous information currently required on registration statements such as the "scope" of the Committee, whether it is "continuing", disposition of residual funds, and reports filed with State offices.
- Reduce the burden on State filing offices by shortening the length of time reports must be preserved, and only requiring multicandidate committees to file reports in their home states.

(We would like to note at this point that through the support of this Committee, the Senate has already acted on one of the FEC's recommendations to assist State officers by passing S. 994 authorizing \$250,000 to reimburse them for their expenses in maintaining FECA reports.)

II. ENCOURAGING PARTY AND GRASS ROOTS ACTIVITY

Unfortunately, the FECA has had, or is perceived to have had, some unforeseen effects on party and grass roots political activity. In particular, such activity as spontaneous local volunteer efforts, should be encouraged since it is the essence of healthy election campaigning. Changes in the statute are vitally needed to permit

State and local party committees adequate flexibility for vigorous campaign activity.

The FEC's legislative recommendations suggest a number of improvements in this regard, such as:

- State parties should be permitted § 441a(d) expenditures on behalf of Presidential candidates in the amount of \$20,000, or two cents times the voting age population of the State. This would be in addition to the National Party committee's limit.
- Local and subordinate committees of a State party committee should be permitted to distribute materials normally associated with volunteer activities (bumper stickers, handbills, pamphlets, etc.), without having such expenses count towards the expenditure limitations of a Presidential nominee.
- The current \$500 exemption for vendors, and volunteer entertainment and travel expenses on behalf of a candidate, should also be extended to include similar activities on behalf of a party committee.

III. CLARIFICATION OF THE ACT

A. Contribution Limitations

The contribution limitations should be clarified by placing them on an election cycle basis, rather than a "per election" basis. For example, if such a clarification were adopted, an individual would be permitted to give up to \$2,000 to a candidate at any time during an election cycle. (An election cycle would be 2 years for House candidates, 4 years for Presidential candidates and 6 years for Senate candidates.)

The contribution limitations also contain a number of anomalies which should be corrected. Chief among these are:

- If a national committee of a political party serves as its Presidential nominee's principal campaign committee, it becomes subject to the contribution limitations for principal campaign committees. In effect, the national committee of a political party is prevented from serving as the principal campaign committee of its Presidential nominee. This situation should be corrected.
- Although an individual may give up to \$20,000 per year to the committees established by the national committee of a political party, a multicandidate committee may only give \$15,000. This discrepancy should be addressed.

In addition to the above, the FEC recommends a minimum contribution amount be established for multicandidate committees to become qualified for the higher contribution limits of the Act. At present the FECA requires that a committee meet three conditions to qualify as a multicandidate committee: 1) be registered with the Commission for six months; 2) receive contributions from at least 50 individuals; and 3) make contributions to at least five Federal candidates. The five contributions to Federal candidates required to satisfy the third condition could be as little as \$1 each. The FEC recommends that a figure of at least \$100 be established in order for such contributions to satisfy the third condition and qualify for the higher contribution limit.

B. Presidential Campaigns

The FEC believes that the 1976 Presidential public financing program worked very well, considering that it was the first time that such a comprehensive scheme of national election campaign financing had been attempted. During the 1976 Presidential election, certain difficulties did, of course, arise. Some of these difficulties were discussed at hearings held by the FEC in June 1978 on proposed changes to our regulations on public financing.

The FEC is attempting to alleviate the problems noted at the 1978 hearings through revisions to our regulations. On May 7, 1979, we promulgated new primary matching fund regulations. On June 6, 1979, draft convention financing regulations were published for comment, and we expect to have a final set of proposed convention financing regulations before the Congress shortly.

There is of course a limit to what can be done through regulations. Therefore, the FEC has suggested a number of changes to the provisions of the FECA regarding Presidential elections and public financing.

The FECA should be amended to permit Congressional and State candidates to give occasional, isolated or incidental support to their party's Presidential nominee without such expenses counting as an expenditure on behalf of the Presidential candidate. The present lack of clarity in the law on this point has had a chilling effect on grass roots candidate activity in support of Presidential candidates receiving public financing. The law should be amended to accommodate such endorsements since they are a traditional part of Presidential and Congressional candidates' campaigns.

Additional improvements which should be made to the public financing provisions of the Act are:

- A major party Presidential nominee receiving public financing may not accept private contributions. Private donations are permitted, however, to defray legal and accounting expenses. Instead of depending on private contributions to cover such expenses, block grants should be given to each candidate receiving public financing in the general election to defray such compliance expenses.
- Repayments of public funds should be returned to the Presidential Election Campaign Fund, rather than to the general fund of the Treasury as at present.

C. Commission Procedures and Judicial Review

There are a number of changes which should be made in the statute to enable the Federal Election Commission to better perform its mission. Such changes should be aimed at reducing delays and eliminating cumbersome procedures, particularly in the area of judicial review.

One problem which the FEC often faces is the limited availability of the advisory opinion procedure. When coupled with the prohibition on giving an opinion of an advisory nature outside the formal advisory opinion process of § 437f, the restrictions on standing to receive an advisory opinion severely hamper the FEC's ability to advise certain parties on how they may comply with the FECA.

Under current law, only Federal officeholders, Federal candidates, political committees and the national committee of a political party

may request an advisory opinion. Many other individuals and organizations are subject to the FECA, however, such as corporations, labor organizations, State and local officials, and individual contributors. To encourage voluntary compliance with the FECA, any person subject to the provisions of the FECA should have standing to request an advisory opinion on the applicability of the FECA or FEC regulations to a specific factual situation in which the requestor is involved.

To reduce delays, our recommendations also include proposals for shortening the regulation review period and the conciliation period for enforcement actions.

The judicial review provisions of the FECA also have created a unique procedural problem for the Federal courts. Under 2 U.S.C. § 437h, the district court is empowered to certify questions of constitutionality of the Act's provisions directly to the Court of Appeals. Actions to construe the public financing provisions under 26 U.S.C. § 9011(b)(2) are required to be heard by a three judge panel of the district court. Thus, in cases involving both Title 2 and Title 26 questions, the courts, beginning with Buckley v. Valeo, have felt it necessary to simultaneously convene a three judge district court panel, and the Court of Appeals en banc to hear the same case.

This confused situation could be eliminated by making the judicial review provisions of Title 2 and Title 26 conform to one another. A more effective measure than merely conforming the two provisions, however, would be repeal of 2 U.S.C. §437h. The provision was originally written to permit expedited consideration of the challenges brought in Buckley v. Valeo. Since then it has already been the vehicle

for ten suits, six of which are still in litigation. The provision flies in the face of traditional Federal jurisprudence by requiring consideration of constitutional questions prior to questions of statutory construction or application. Furthermore, by not requiring any action on the Commission's part before a constitutional question may be brought, the statute effectively places the court in the position of issuing an advisory opinion. This is a role which the Federal courts have consistently sought to avoid. Since Buckley has been heard, §437h should simply be stricken.

Further suggestions for changes to the FECA are included in the Appendix to this statement. These recommendations are all based on the FEC's experience gained in administering the Act for the past four years. The FEC believes these recommendations will improve the clarity of the FECA, reduce the burdens on those required to comply with it, encourage more party and local activity, and enable the FEC to more efficiently carry out its responsibilities.

The FEC and its staff are ready to assist the Committee and its staff in revising the FECA. We look forward to working with the Committee toward what we are sure is a mutual goal: a Federal Election Campaign Act which is more effective, and less burdensome for those required to comply with it.

Chapter 8 Legislative Recommendations

In 1976 Congress enacted the fourth major overhaul of campaign financing laws in slightly over four years. During implementation of the 1976 Act, the Federal Election Commission kept a continually updated list of apparent statutory omissions, inadequacies and other problems. This list served as the basis for the Commission's legislative recommendations in its 1976 Annual Report, submitted in March 1977. Several additional recommendations were made in the 1977 Annual Report, submitted in March 1978.

The Commission reiterates its support for its 1976 and 1977 recommendations and includes additional recommendations in this Annual Report. These recommendations seek to bring to Congress' attention provisions of the Act which merit revision.

The Commission has categorized these recommendations into seven separate areas: Simplification; Presidential Elections; Limitations and the Role of the Political Party; Commission Duties, Powers and Authority; Clarification; Corporate and Union Activity and Miscellaneous.

Simplification

The Commission strongly believes that a simple, workable system of campaign financing regulations is achievable. Almost one-half of the Commission's recommendations seek to meet this goal. The 1974 Amendments attempted to reduce the number of reports required to be filed, but in 1976 and 1978 many candidates and committees actually were required to file more reports than previously. Implementation of the following recommendations dealing with reporting would dramatically reduce the number of reports required to be filed. Streamlining of the disclosure provisions of the Act will simplify reporting and maintain a high level of public disclosure.

Principal Campaign Committee Reporting

The Act requires each candidate to designate a principal campaign committee which must file reports. Since the candidate has a separate reporting obligation many campaigns file two sets of reports. The Commission recommends that candidates should be given two options: either (a) file all reports of receipts and expenditures on a candidate's report and have no committee or (b) designate a principal campaign committee which would compile and file all reports. This change often would reduce by one-half the number of reports required for some campaigns.

Presidential Candidates

Presidential candidates operating in two or more states should be required to file monthly in an election year and quarterly in a nonelection year, as is the case under current law. For all candidates and committees, the 10-day preelection report should be changed to a 12-day preelection report. For a Tuesday election, the tenth day before an election is a Saturday and reports received usually are not processed and microfilmed until Monday. A 12-day preelection report would be due on Thursday and would substantially increase the period during which these reports are publicly available prior to the election. (Note: appropriate adjustments will be needed in the 48-hour reporting requirements if this recommendation is adopted.)

Congressional Candidates

During nonelection years, all Congressional candidates and committees should file only two reports, in July and at the end of the year. There should be no dollar threshold for filing these reports. Candidates and committees involved in special elections would file 12-day preelection reports and a 30-day post special general election report.

In election years, Congressional candidates and committees should file 12-day preelection reports, a 30-day post general election report

Reporting	Number of Reports Required Two-Year Cycle	Election Year	Nonelection Year
A. Current Law			
Presidential Candidates	16	Monthly reports.	Quarterly
Candidates' Principal Campaign Committees (PCC)	24	Quarterly (if receipts or expenditures are over \$1,000), 10-day pre-election and 30-day post-election (primary and general); year-end.	Quarterly (if over \$5,000); year end.
Multicandidate Committees	12-24	Choice of: Quarterly (if over \$1,000), 10-day pre-election and 30-day post-election (all primaries and general), year-end; or monthly.	Choice of: Quarterly (if receipts or expenditures exceed \$1,000), plus pre- and post-election reports if special election involvement, or monthly.
B. Recommendations			
Presidential Candidates	16	Monthly reports.	Quarterly reports.
Candidates and PCCs together	9	April 10, July 10, October 10, 12-day pre-election (primary and general), 30-day post-general election, and year-end reports.	July and year-end reports.
Qualified Multicandidate Committees and National Party Committees	14-24	Monthly reports.	Choice of: monthly; or July and year-end report (plus pre- and post-election reports if involved in special elections).
Other Nonparty Committees, Independent Expenditures Filers, State and Local Party Committees	9	April 10, July 10, October 10, plus 12-day pre-election (primary and general), 30-day post-general, and year-end reports.	July and year-end.

and quarterly reports in April, July, October and year-end. This reporting scheme would be keyed to the election cycle.

If the principal campaign committee reporting recommendation suggested above is also adopted, the maximum number of reports would be reduced from 24 to nine for Congressional candidates.

Qualified Multicandidate Committees and National Party Committees

Qualified multicandidate committees and national party committees should be required to file monthly in an election year and during nonelection years should have the choice of either filing monthly or filing in July and year-end (plus pre- and post-election reports if involved in special elections).

Other Filers

Other nonparty committees, independent expenditure filers and State and local party committees should file July and year-end reports in a nonelection year and during an election year file quarterly, year-end plus 12-day pre- and 30-day post-general election reports.

Candidate Support Statements (2 U.S.C. §433(b)(9))

The Act imposes a burdensome requirement on multicandidate committees to report on their registration statements the names and offices of all the candidates they support. Any change in this information must be reported by amendment within 10 days. Some multicandidate committees are required, under this provision, to file amendments almost every 10 days. On occasion, the volume of these reports is so great that public disclosure is impaired. Most importantly, the identical information is contained on the reports of receipts and expenditures of each multicandidate committee. This provision should be repealed.

48-Hour Reports (2 U.S.C. §434(a))

The requirement that any contribution of \$1,000 or more received after the 15th day but

more than 48 hours before any election be reported within 48 hours should be eliminated.

In lieu thereof, the Act should require political committees to report within 48 hours any contribution of \$1,000 or more made by that committee to a candidate in the 15 days preceding an election. Transferring this reporting duty to the donor committee would greatly expedite the disclosure of large contributions prior to the election.

Registration Statements (2 U.S.C. §433(b))

The law requires political committees to supply information on their Statements of Organization which is not integral to the central goals of the Act. The following provisions do not add sufficient information to the concept of disclosure to warrant retention and should be repealed:

- The requirement that "the area, scope or jurisdiction of the committee" be listed.
- The requirement that the Statement of Organization contain "a statement whether the committee is a continuing one."
- The requirement that committees state "the disposition of residual funds which will be made in the event of dissolution."
- The provision requiring a "statement of the reports required to be filed by the committee with State or local officers, and, if so the names, addresses and positions of such persons."

Election Period Limitations (2 U.S.C. §441a(a))

The contribution limitations are structured on a "per-election" basis, thus necessitating dual bookkeeping or the adoption of some other method to distinguish between primary and general election contributions. The Act could be simplified by changing the contribution limitations from a "per-election" basis to an "annual" or "election cycle" basis. There is precedent in the current Act for such an approach in §441a(h). If an annual limitation is chosen, contributions made to a candidate in a year other than the calendar year in which the election is held should be considered to be made

during the election year. Thus, under present limits multicandidate committees could give up to \$10,000 and all other persons could give up to \$2,000 at any point during the election cycle. Special elections should be treated as a separate "election cycle." Furthermore, since the present limitations were established in 1974, Congress should revise these figures in light of the substantial change in the Consumer Price Index since that time.

State Filing (2 U.S.C. §439)

The Act presently requires all candidates and committees to file a copy of each statement filed with the Commission with the Secretary of State or other equivalent State officer. It also imposes certain responsibilities on the Secretaries of State or equivalent officers. The appropriate State officials should be required to keep reports for only three years for House, five years for President and seven years for Senate, instead of the present five and 10-year requirements. The Secretaries of State have expressed more opposition to the report preservation feature of their filing responsibilities than any other. To further reduce the burdens placed on State officials, multicandidate committee reports should be filed only with the Secretary of State or other appropriate State agency in the State in which the committee is headquartered. State officials also have requested that they be reimbursed by the Federal government for costs incurred in receiving, indexing and maintaining these reports.

Point of Entry (2 U.S.C. §438(d))

The Commission recommends that it be the sole point of entry for all disclosure documents filed by Federal candidates and committees supporting those candidates. A single point of entry would eliminate confusion about where candidates and committees must file their reports, direct their correspondence and ask questions. At present, conflicts arise when more than one office sends out materials, makes requests for additional information and answers questions relating to the interpretation of the law. A single point of entry would also reduce the govern-

mental costs now associated with the operation of three different offices. Finally, separate points of entry make it difficult for the Commission to track nonfilers and responses to compliance notices. Many responses and/or amendments may not be received by the Commission in a timely manner, even though they were sent by the candidate or committee. The delay in transmittal between two offices sometimes leads the Commission to believe that candidates and committees are not in compliance. A single point of entry would eliminate this confusion.

Written Pledges (2 U.S.C. §431(e)(2))

Candidates and committees are required to report all written pledges even if there is no hope of collecting the money. This is mandated by the definition of contribution which includes "a written contract, promise, or agreement, whether or not legally enforceable, to make a contribution." Candidates and committees should be required to keep records of written pledge cards and other similar written instruments, but they need not be reported.

Independent Expenditures by Individuals (2 U.S.C. §434(e))

The threshold for the reporting of independent expenditures by individuals and other persons should be increased from \$100 to \$250. The present reporting burden on persons who make relatively small amounts of independent expenditures is not consonant with the purposes of the Act. The higher amount of \$250 would appear to be a more realistic figure as to when independent expenditures begin to have an impact on election campaigns.

Independent Contributions (2 U.S.C. §434(e))

Persons who make independent contributions in excess of \$100 are required to file reports with the Commission. An independent contribution is a contribution to a person (other than a candidate or political committee) who makes an independent expenditure. The Commission recommends that independent contributors not be required to report to the Commission.

Instead, persons who file independent expenditure reports should be required to report the sources of any contributions in excess of \$100 which is donated with a view toward bringing about an independent expenditure.

Disclaimer (2 U.S.C. §435(b))

The disclaimer required on all solicitations of contributions should be shortened to read: "A copy of our report is filed with and is available for purchase from the Federal Election Commission, Washington, D.C." The present disclaimer is redundant and reduces the amount of space or broadcast time used for advertising.

Trade Associations (2 U.S.C. §441b(b)(4))

Trade association political action committees must obtain the separate and specific approval each year of each member corporation in order to be able to solicit the corporation's executive and administrative personnel. Some trade associations have thousands of members and it is a considerable administrative burden to obtain approval to solicit every year. The one-year time limitation should be removed and the trade association should be allowed to solicit until the corporation revokes its approval.

Presidential Elections

The Federal Election Campaign Act and Presidential Election Campaign Fund Act made sweeping changes in the financing of Presidential elections. Several amendments are needed to improve both of these Acts in advance of the 1980 Presidential election.

Delegate Selection (2 U.S.C. §9032)

Amendments are needed to delineate the status of delegates and delegate-candidates to Presidential nominating conventions and the applicability of the disclosure provisions and contribution and expenditure limitations to their activities. Congress should consider totally exempting from the Act financial activity in connection with delegate elections. Alternatively, Congress may wish to exempt from the

definition of contribution and expenditure: (a) the payment by a delegate of all travel and subsistence costs incurred in attending caucuses or conventions; and (b) the payment of expenditures incurred by a State or local political party in sponsoring party meetings, caucuses and conventions for the purpose of selecting delegates. Another approach would be to distinguish "authorized" delegates (i.e., persons authorized by a Presidential candidate to raise or expend funds on his behalf) from "unauthorized" candidates. Only authorized delegates would be considered contributors to the Presidential candidate and expenditures by such delegates would be charged against the Presidential candidate's limitations.

Support of Presidential Nominees

(2 U.S.C. §9003)

Congress may wish to clarify to what extent a Congressional candidate may give occasional, isolated or incidental support to the Presidential nominee of his party without such support counting as a contribution in-kind. A publicly financed Presidential campaign is prohibited from receiving any private contributions in the general election. During the 1976 elections, it was unclear under what circumstances a Congressional candidate could mention and support his political party's Presidential nominee.

The brief mention or appearance of the Presidential nominee in newspaper ads or in television or radio ads should not be considered a contribution so long as the purpose is to further the election of the congressional candidate and the appearance is at the initiative of the Congressional candidate.

Compliance Funds (2 U.S.C. §9004)

The Federal Election Campaign Act Amendments of 1976 specifically exclude from the definition of "contribution" the payment of legal and accounting services by a regular employer to insure compliance with the Federal Election Campaign Act and Chapters 95 and 96 of Title 26 of the Internal Revenue Code. The Commission's Regulations specifically permit a

Presidential campaign to set up a separate account containing private monies to be used for compliance purposes. A major party Presidential candidate receiving full public financing in the general election may not otherwise receive private contributions. In order to insure the integrity of the Presidential general election public financing provisions and to eliminate the need for any private contributions in the general election, the Presidential Election Campaign Fund Act should be amended to provide a block grant of a specified amount for legal and accounting services for each candidate and committee receiving public funds. Similar grants should be considered for candidates who receive matching funds in the primary election.

Presidential Election Campaign Fund (2 U.S.C. §9006)

Under the current provisions, the Secretary of the Treasury is required to place first priority on funds for convention financing; second priority on funds for general election financing; and third priority on the matching-payment fund. Since the primaries occur before the general election, the Secretary may not have a clear idea of the amount to reserve for the general election. The Secretary may determine that a substantial portion of the entire fund needs to be reserved for a number of possible qualified nominees in the general election, thus denying Presidential primary candidates their full entitlements. On the other hand, the Secretary may make a determination which would not reserve sufficient monies for the general election fund to pay new party candidates who qualify in the general election. Since the amount in the fund is a fixed amount in that it is limited by the number of dollars received as a result of the tax checkoff provision, the Secretary may be faced with a situation where he must risk depleting the general election fund to assure full entitlement for Presidential primary candidates. Under some circumstances, the present system could be unworkable and should be modified either to guarantee full entitlement to all qualified candidates or to eliminate all discretion by the

Secretary and the Commission in determining how to distribute partial entitlements.

Repayments to the Fund (2 U.S.C. §9007)

In its Regulations, the Commission has attempted to give candidates and committees ample leeway to challenge Commission determinations with respect to the repayment of funds to the Federal Treasury and sufficient time to gather funds to make repayments. These Regulations have generally operated fairly and equitably. However, there have been a few instances where this time period has been used to accrue interest on the amounts which the Commission has determined must be repaid to the Treasury. In order to simplify the repayment procedure the Commission recommends that all surplus funds, regardless of amount, be repaid to the Presidential Election Campaign Fund at the end of a campaign. (Any such repayment requirement should, of course, exclude payments made for tax purposes.) The statute also should be amended to require that any and all interest earned on public monies from savings accounts, government bonds, and other sources be returned to the Fund or the general fund of the Treasury. This latter requirement would insure that Presidential committees do not gain private advantage from funds which the Commission has determined must be repaid to the Fund or the general fund of the Treasury. In addition, while repayments under the Presidential Primary Matching Payment Account Act are made to the Presidential Election Campaign Fund, repayments under the Presidential Election Campaign Fund Act are made to the general fund of the Treasury. All repayments should be made to the Presidential Election Campaign Fund.

Vice Presidential Candidates (2 U.S.C. §441a)

The Act does not provide a coherent statutory framework for the treatment of Vice Presidential candidates. For example, the campaign depository of the Vice Presidential candidate is considered to be the campaign depository of the Presidential candidate. Yet, the definitions of the "candidate" and "Federal office" differentiate the Presidential candidate from the

Vice Presidential candidate. Thus, the Vice Presidential candidate is required to file disclosure reports separately from the Presidential candidate. In the Presidential general election, expenditures made on behalf of the Vice Presidential candidate are considered to be made on behalf of the Presidential candidate of the same political party and are thus subject to an expenditure limitation. These apparent contradictions should be reconciled.

Contributions and Expenditure Limitations and Role of the Political Party

A systematic, comprehensive, enforceable system of contribution and expenditure limitations was implemented for the first time in the 1976 and 1978 elections. The Commission recommends the following changes in the application of these limitations:

Party Activity (2 U.S.C. §441a(d))

Political parties have a central role to play in the political system. Campaign finance legislation must be carefully drafted to bolster the role of political parties in campaign financing, while preserving the integrity of the various contribution limits. One of the major failures of campaign financing legislation in the 1976 elections was the limited role which it delegated to State and local party committees. Accordingly, the Commission recommends that:

1. State committees of a political party should be allowed to spend the greater of \$20,000 or 2 cents times the Voting Age Population on behalf of the Presidential candidate of the national party. State committees should be allowed to delegate this spending right to subordinate committees.
2. Local and subordinate committees of a State committee should be allowed to distribute campaign materials and paraphernalia normally connected with volunteer activities (such as pins, bumper stickers, handbills, pamphlets, posters and yard signs, but not

billboards, newspapers, mass mailings, radio, television and other similar general public political advertising). These activities would be exempt from the limitations when undertaken on behalf of the Presidential candidate; would be subject to the disclosure provisions; could mention as few or as many candidates as deemed desirable; and would be financed with funds that are not earmarked for a particular candidate.

3. The \$500 exemptions for real and personal property, vendors and travel expenses which apply to candidates should be expanded to apply to political party committees (e.g., the use of real and personal property and the cost of invitations, food and beverages voluntarily provided by an individual to a political party committee should be exempted from the definition of contribution and expenditure up to \$500).
4. The statute should be amended to exempt from the definitions of contribution and expenditure payments made by or on behalf of a candidate or received by a political party committee as a condition of ballot access when these costs or payments are subsequently paid to the State. Currently, candidates make payments to State political party committees to gain access to the ballot and to defray the cost of the elections and these payments count as contributions. If these payments are in excess of \$5,000, the candidate must exceed the contribution limits to gain ballot access.

If the above-mentioned recommendations are adopted, the political parties will be given a strengthened role in the political process and volunteer activities will be encouraged. If the proposed changes are incorporated in the Act, 26 U.S.C. §9012(f) should be repealed.

Expenditure Limitations (2 U.S.C. §441a(b))

The experience of the 1976 elections suggests that the Congress may wish to raise the Presidential spending limitations. The entitlement for Presidential candidates receiving full funding for the general election could be increased substan-

tially up to \$35 million. The increased amount should be set in cognizance of the fact that it will be increased by the Cost-of-Living Adjustment. Similarly, the \$2 million entitlement for the national nominating conventions of the political parties and the \$10 million limitation on candidates seeking nomination for President should be increased.

Contribution Limitation Anomalies

(2 U.S.C. §441a(a))

When structuring an equitable balance in the application of the contribution ceilings, Congress should attempt to rectify two serious anomalies:

1. A national political party committee which is not authorized by any candidate may accept contributions of up to \$15,000 from multicandidate committees and \$20,000 from any other person. However, if the Presidential nominee of the political party designates the national committee as his principal campaign committee, then the national committee is prohibited from accepting contributions in excess of \$5,000 from all persons. Thus, the national committee of a political party is, in effect, prevented from becoming the principal campaign committee of its Presidential nominee.
2. As was noted above, an individual can give a national political party committee up to \$20,000 but a multicandidate committee can give only \$15,000.

Multicandidate Committee

(2 U.S.C. §441a(a)(4))

In order to attain qualified multicandidate committee status (i.e., to be eligible to give \$5,000 per election to Federal candidates), political committees could be required to make contributions of \$100 or some other specified sum to five Federal candidates. Under the present Act, a political committee need give as little as \$1 to four candidates in order to be eligible to give \$5,000 to the fifth candidate, provided all other criteria are met.

Contributions by Minors (2 U.S.C. §441a(a))

The Act does not stipulate at what age a minor child may make contributions. Presently, the Commission is forced to rely on subjective criteria such as whether "the decision to contribute is made knowingly and voluntarily by the minor child." Contributions by minor children under the age of 16 should be considered to have been made by the parent and should be subject to the parent's \$1,000 contribution limitation - unless the minor child's contributions aggregate \$100 or less per candidate per election or per election cycle.

Commission Duties, Powers and Authority

Several provisions of the Act relating to the Commission's duties, powers and authority need to be modified or clarified.

Advisory Opinions (2 U.S.C. §437f)

Federal officeholders, candidates and political committees are allowed to request advisory opinions regarding compliance with the FECA. However, the Commission is prohibited from giving advisory opinions to other persons. Thus, several classes and groups subject to the provisions of the Act are not allowed to obtain formal guidance from the Commission on questions of interpretation. The Act should be amended to allow any person subject to the provisions of the Act to ask for an advisory opinion.

Conciliation Period (2 U.S.C. §437g(a)(5))

The enforcement provisions of the Act provide for a mandatory 30-day conciliation period. The mandatory conciliation period should be shortened to 15 days to enable the Commission to process complaints more expeditiously and also to prevent the abuse of the mandatory conciliation period for purposes of delaying enforcement action close to the election.

Multiyear Authorization (2 U.S.C. §439c)

The Commission should be given a multiyear

authorization of appropriation in order to increase its ability to engage in long-range planning and on implementation of the law. The present scheme drains valuable staff resources each year in attempts to justify an authorization and frustrates intelligent management of the agency.

Number of Legislative Days (2 U.S.C. §438(c))
The Congress should reduce the requisite 30 legislative days for the review of Regulations to 15 legislative days.

Definition of Legislative Days (2 U.S.C. §438(c)(4))

The definition of "legislative days" should be clarified as to whether it includes only those days on which both Houses are in session or merely those days on which either House is in session.

Index of Reports and Statements (2 U.S.C. §438(a)(6))

The requirement for the Commission to publish in the *Federal Register* a cumulative index of reports and statements filed with it should be repealed. The cost to the taxpayers to publish this index is in the thousands of dollars, with little public benefit. Alternatively, the Commission should be required to compile and maintain a cumulative index of reports and statements and publish in the *Federal Register* a notice of the existence of this index.

Federal Reports Act (2 U.S.C. §437c)

The Federal Election Campaign Act does not exempt the Commission from the requirements of the Federal Reports Act. The Commission is required to submit all forms and other similar materials requesting information from candidates and committees to the General Accounting Office for approval, thus delaying Commission efforts to improve its information retrieval systems. A major goal of the Federal Reports Act is, of course, to prevent duplicative Federal paperwork. Since, however, the Commission is granted exclusive primary jurisdiction over the Federal Election Campaign Act and no other

Federal agencies have responsibility for collecting data in this area, the Commission should be exempt from the requirements of this law. Such an exemption would facilitate Commission efforts to streamline the reporting process and expedite the simplification and development of forms and other similar materials.

Judicial Review (2 U.S.C. §437h)

The Act contains different judicial review provisions which Congress might wish to consider conforming to each other. As noted by the Court of Appeals for the District of Columbia, no apparent reason exists for different review provisions in Chapters 95 and 96 of Title 26. Congress might wish to consider making the provisions of 26 U.S.C. 9011, including the provisions for expedited review of 9011(b), apply to Chapter 96, perhaps making 9040 and 9041 identical to 9010 and 9011. Additionally, Congress might wish to address what the Supreme Court called the "jurisdictional ambiguities" resulting from Title 2 having a totally different expedited review provision (2 U.S.C. §437h) for questions of the constitutionality and construction of the statutory provisions.

Clarification

Principal Campaign Committees (2 U.S.C. §432(e))

Under the current law, the name of most principal campaign committees identifies the candidate supported. However, in some cases, it is difficult to determine which candidate a principal campaign committee supports. In such cases the committee's name does not contain the candidate's name as, for example, "Good Government Committee" or "Spirit of '76." In order to avoid confusion, the Act should require the name of the principal campaign committee to contain in its name the name of the candidate which designated the committee.

Separate Segregated Funds (2 U.S.C. §441b)

Presently many names of the separate segregated

funds do not contain the name of the sponsoring organization. Consequently, candidates and committees sometimes have great difficulty in ascertaining the source of a PAC contribution if, for example, it comes from "The Good Government Committee." In addition, the press and the public frequently cannot determine the actual source of these contributions. The Act should require a separate segregated fund to contain in its name the name of the sponsoring organization.

Use of Reports (2 U.S.C. §438(a)(4))

An exception to the present statute should be made to allow candidates and others to obtain the names and addresses of political committees from reports and statements filed at the Commission.

Candidate Petty Cash Fund (2 U.S.C. §437b)

The law currently requires all expenditures to be made through a designated campaign depository, except for petty cash expenses by political committees of \$100 or less. This exemption for petty cash expenses is limited to political committees, but should be expanded to permit candidates to make petty cash expenses.

Corporate and Union Activity

Honoraria (2 U.S.C. §431(e)(5))

The Act presently permits corporations and labor organizations to use general treasury money to give honoraria to Federal officeholders who may also be candidates. If the candidates are not Federal officeholders, there is no limit on the amount of the honoraria that may be received. The Commission recommends that corporations and labor organizations be prohibited from giving honoraria to Federal candidates.

Registration/Get-Out-The-Vote

(2 U.S.C. §441b(b)(2))

Congress may wish to amend the Act to allow corporations and labor organizations to conduct

nonpartisan registration and get-out-the-vote activities aimed at the general public without sponsorship of a nonpartisan organization so long as the activities are not targeted toward selected groups and so long as the activities merely urge people to register and to vote. Currently, corporations and labor organizations may only participate in such activities if they are cosponsored with and conducted by an organization which does not support or endorse candidates or political parties. The present overly restrictive provision effectively prevents corporations and labor organizations from engaging in any political activity -- such as putting up signs urging the general public to register and vote and paying for public service broadcast spots which merely urge people to vote.

Miscellaneous

Dual Candidacies (2 U.S.C. §441a)

Amendments to the law are needed to delineate the status of dual candidacies, and in particular, the applicability of the disclosure provisions and limitations on expenditures by and contributions to persons who are candidates for two Federal offices at the same time, such as:

- a) President and Senate,
- b) President and House of Representatives,
- c) House and Senate,
- d) Delegate and Congress,
- e) Federal and State or local office.

For example, if an individual is simultaneously a candidate for the Senate (where there is no expenditure limitation) and for the Presidency (where there is an expenditure limitation for those candidates accepting public funds) in the same State, are both of his or her campaigns subject to the Presidential spending ceiling for that State or may his or her senatorial campaign spend unlimited amounts of money? Also, if a candidate for Congress (who may not accept contributions in excess of \$1,000 per election -- \$5,000 for a multicandidate committee) is simultaneously an unauthorized delegate-

candidate may he or she accept contributions of \$25,000 from individuals or of unlimited amounts from other persons for the delegate-candidacy or are both campaigns subject to the Congressional ceilings?

Private Benefits (2 U.S.C. §439a)

Prior to 1972, the law prohibited the purchase of goods or articles the proceeds of which inured to the benefit of a Federal candidate or political committee. (18 U.S.C. §608(b), repealed by the Federal Election Campaign Act of 1971.) Currently, the Act provides that excess campaign funds may be used for any lawful purpose (2 U.S.C. §439a). Congress should reinstate some strict controls on the conversion of political funds to personal use.

Technical Amendments

The following technical amendments are recommended to clarify the meaning of certain provisions of the Act.

2 U.S.C. §431(e)(5)

The \$500 exceptions to the definitions of contribution and expenditure occur at the end of the paragraph in 2 U.S.C. §431(e)(5), but occur at the end of each exception or subparagraph in 2 U.S.C. §431(f)(4). These provisions should be made parallel by adopting the method used in 2 U.S.C. §431(f)(4). The phrase "to the extent that the cumulative value" is used in 2 U.S.C. §431(e)(5), but the phrase "if the cumulative value" is used in 2 U.S.C. §431(f)(4). Under one interpretation of the above-mentioned provision, if a person exceeds the \$500 threshold only the amount in excess of \$500 must be disclosed and credited to the limits. On the other hand, in the latter provision, the full amount -- including any sums under \$500 -- must be disclosed. The phrase "to the extent that" should be substituted for "if" in 2 U.S.C. §431(f)(4).

2 U.S.C. §432(e)

In 2 U.S.C. §432(e)(2), the term "political committee" should read "authorized political

committee" in order to clarify any ambiguity that might exist about which committees file with the principal campaign committee.

2 U.S.C. §433(a)

The last sentence in 2 U.S.C. §433(a) is no longer needed and should be stricken.

2 U.S.C. §434(b)(12)

Two provisions of the Act, 2 U.S.C. §434(b)(12) and §436(c), relate to the reporting of debts and obligations. These actions should be consolidated.

2 U.S.C. §437c(f)(2)

The language relating to the procurement of temporary and intermittent services contained in 26 U.S.C. §9010(a) and §9040(a) should also be placed in 2 U.S.C. §437c(f)(2).

2 U.S.C. §455

2 U.S.C. §455 was improperly codified and "Title III of this Act" should be stricken each place it occurs and in lieu thereof should be inserted "chapter."

26 U.S.C. §9011(b)(1)

The term "contrue" in 26 U.S.C. §9011(b)(1) should be "construe."

26 U.S.C. §527(f)(3)

The cross-reference in 26 U.S.C. §527(f)(3) should be changed from "section 610 of Title 18" to "section 441b of Title 2."

26 U.S.C. §9002

Chapters 95 and 96 of Title 26 of the Internal Revenue Code contain different definitions of "qualified campaign expense." Chapter 95 defines a "qualified campaign expense" to mean an expense incurred to further the election of a Presidential candidate to Federal office. Chapter 96 defines "qualified campaign expense" to mean an expense incurred in connection with a campaign for nomination to the Office of President. These provisions should be parallel in language to reflect identical meaning.

Mr. TIERNAN. Any current revisions of the FECA should address several specific areas: One, simplification of the disclosure process; two, encouragement of grass roots activity; and three, clarification of the requirements of the FECA.

Furthermore, the Federal Election Commission advocates certain other specific changes in FEC procedures and duties, and in the judicial review provisions, to improve implementation of the FECA.

The disclosure process should be simplified to the greatest extent possible. Simplification will encourage full disclosure by making it easier for candidates and committees to fully comply with the FECA.

The FEC is especially aware of the burden that current reporting obligations place on candidates and their principal campaign committees. The FEC therefore recommends changes in the reporting schedule to reduce the number of reports required to be filed from a maximum of 24 each election cycle to 9 each cycle. This would achieve a reduction of more than 60 percent of the reports without any reduction in disclosure.

A similar reduction could be made in the reporting burden currently placed on political committees (other than multicandidate committees), independent exponents, and State and local party committees.

The second specific area we think that needs correction is in the area of encouraging party and grass roots activities. Unfortunately, the FECA has had, or is perceived to have had, some unforeseen effects on party and grass roots political activity. In particular, activity such as spontaneous local volunteer efforts should be encouraged, since it is the essence of healthy election campaigning. Changes in the statute are vitally needed to permit State and local committees adequate flexibility for vigorous campaign activities.

The FEC's legislative recommendations suggest a number of improvements in this regard.

The third area would be the clarification of the act itself.

The contribution limits should be clarified by placing them on an election cycle basis, rather than on a per election basis.

The contribution limits also contain a number of anomalies which should be corrected and which are specified and enumerated in my full statement and the appendix.

On Presidential campaigns, the FEC believes that the 1976 Presidential public financing program worked very well, considering that it was the first time that such a comprehensive scheme of national election campaign financing had been attempted. During the 1976 Presidential election, certain difficulties did, of course, arise.

The FEC is attempting to alleviate the problems noted at the 1978 hearings through revisions to our regulations. On May 7, 1979, we promulgated new primary matching fund regulations. On June 6, 1979, draft convention financing regulations were published for comment, and we expect to have a final set of proposed convention financing regulations before the Congress shortly.

There is, of course, a limit to what can be done through regulations. Therefore, the FEC has suggested a number of changes to the provisions of the FECA regarding Presidential elections and public financing. For example, the FECA should be amended to permit congressional and State candidates to give occasional, isolated or incidental support to their party's Presidential nominee without such

expenses counting as an expenditure on behalf of the Presidential candidate.

There are also a number of changes which should be made in the statute to enable the Federal Election Commission to better perform its mission.

One problem which the Commission often faces is the limited availability of the advisory opinion procedure. When coupled with the prohibition on giving an opinion of an advisory nature outside the formal advisory opinion process of section 437f, the restrictions on standing to receive an advisory opinion severely hamper the FEC's ability to advise certain parties on how they may comply with the act.

To encourage voluntary compliance with the act, the Commission suggests that any person subject to the provisions of the act should have standing to request an advisory opinion on the applicability of the act or our regulations to a specific factual situation in which the requestor is involved.

To reduce delays, our recommendations also include proposals for shortening the regulation review period, and the conciliation period for enforcement actions.

The judicial review provisions of the FECA also have created a unique procedural problem for the Federal courts and the Commission requests that the Congress address several specific alternatives outlined in our recommendations.

All of the Commission recommendations are based on the experience gained in administering the FECA for the past 4 years. The Commission believes these recommendations will improve the clarity of the act, reduce the burdens on those required to comply with it, encourage more party and local activity, and enable the Commission to more efficiently carry out its responsibilities.

We look forward to working with the committee toward what we are sure is a mutual goal—a Federal Election Campaign Act which is more effective and less burdensome for those required to comply with it.

Thank you, Senator.

The CHAIRMAN. Thank you very much, Mr. Chairman.

[At this point, the committee received testimony on another legislative measure.]

The CHAIRMAN. We now return to the Federal Election Commission legislation.

You recommended that we should exempt or limit the activity in connection with delegation selection from the definition of contributions and expenditures, and such provisions have been included partially in the committee working draft. Maybe you could tell us some of the difficulties encountered in the 1976 Presidential campaign with respect to reporting of financial activity by delegates, and do you see any problems in excluding all contributions to a delegate in the definition, as opposed to just contributions to party committees.

Mr. TIERNAN. Well, Senator, this was an area that was extremely difficult for the Commission because of the late start into the 1976 election cycle. Also, because we had to distinguish from the authorized delegate, and the unauthorized, but pledged delegate, to a particular candidate, it was difficult in establishing and relating those costs or

expenditures made by the delegate as an expenditure made by the candidate himself or his committee.

We have recommended that these expenditures would be exempted from the definition of contributions and expenditures.

We also suggested some other alternatives, if the committee did not want to fully exempt those expenditures; but I think the Commission does feel that they all should be exempted. We do not see any great possibility of harm in the process; in fact, we think that in the selection of delegates, the various candidates and committees competing against each other is pretty much of a safeguard in that area.

The CHAIRMAN. I notice also that you recommended that both corporations and labor unions be prohibited from giving honoraria to Federal candidates.

What would be your reaction to the thought that they should be permitted to do so, but within the limits of the statute—\$2,000 per appearance or \$25,000 per year?

Mr. TIERNAN. Well, we see that as applying only to incumbents. In fairness, we think it should be applied across the board. That's why we make that suggestion. So it would not only apply to limitations that a Senator or Congressman has to observe through the rules adopted by the appropriate Congressional body, but it would also apply to all "candidates". It applies to anyone, whether he's a Federal officeholder or not.

The CHAIRMAN. But one could make it apply to everybody if you excepted those limitations?

Mr. TIERNAN. Yes; you could. That's another alternative the committee may want to undertake.

The CHAIRMAN. It might be more politically easy to get through, I would think.

Mr. TIERNAN. Right.

The CHAIRMAN. We have so much to try to get through this morning that I'm going to desist with any more questions at this time and will submit some for the record, if I might, because we have more witnesses to follow you and a full agenda of business.

Senator Hatfield?

Senator HATFIELD. Do I detect a desire on the part of the chairman to have the rest of us follow—

The CHAIRMAN. Oh, no.

Senator HATFIELD. Mr. Chairman, section 330 of the discussion draft would require the congressional candidate to file a statement with the Commission prior to the election on whether or not he intends to spend in excess of \$35,000 of his own funds.

Now, according to our record, there was testimony before this committee in the 95th Congress relating to a similar proposal, and at that time the Commission indicated that such a provision would produce major administrative problems—I believe that was the phraseology used by the witness at that time.

Would you comment on problems which the Commission foresees in insuring compliance with this provision now as compared to the testimony of the Commission before the 95th Congress?

Mr. TIERNAN. Senator, I see no change in the position of the Commission. We think that would be a nightmare. Administratively I don't think we could handle it. If it were adopted by the Senate, we would

certainly try to implement it. But with the proposed timeframe, and the requirement of notifying all the other candidates of filings by the other candidates, it really is, we think, a poorly conceived idea. I think it has application in a very limited area, probably limited to one or two States, where they might have a unique situation.

Senator HATFIELD. Mr. Chairman, as you know, one of the concerns of this committee has been the length of time taken to complete audits. That is, the Commission's responsibilities have seemingly involved an inordinate amount of time. If the committee should decide to include a requirement that such audits be completed within a certain timeframe—in other words, we mandate it in the changes of the rules—what would the Commission feel would be a reasonable period of time?

Mr. TIERNAN. Well, Senator, I would say, on the basis of the experience we had with the 1976 elections, the 1980 Presidential audits, in all likelihood, will be handled in a different manner. I think the statutory limitation on completing these audits now is 3 years after the final payment, or after expiration of eligibility for payment for a candidate. I don't know whether or not there are some constraints we may have with regard to staff, but I think the Commission will approach it differently. I think we will put all the candidates initially on notice of deadlines.

I think the Commission's feeling was perhaps on the lenient side because it was the first time we were doing these procedures. As you know, we were just initiating the process of giving some guidance to campaigns, and also changing some requirements with regard to reporting certain transactions and maintaining documentation. This wasn't fully understood by all of the candidates. Some of these candidates were not well financed or well organized. So when we did the audits with them, we probably bent over a bit too much; but then that established a precedent, and we were sort of bound into that situation.

I think the Commission is going to be approaching the audits for the 1980 Presidential elections in a little different light. As I indicated the last time we testified, we have established teams that now work with each candidate as they file with the Commission. The teams are comprised of a member from the audit staff, a member from the reports analysis division, and a member of the General Counsel's office. So we are working very closely with these committees in the early stages, much more so today than we were able to do in 1976.

If the committee was to put a specific time limit in it, I would suggest—I would say 2 years would be a reasonable figure. I think the Commission will probably take less time than that, but here again, I can't anticipate all the difficulties that the Commission will face. And, as you know, the makeup in the membership of the Commission itself changes, and so I'm just speaking as one Commissioner. We have not taken a formal position on a changed time limitation, but in discussions with the Vice Chairman and other members of the Commission, I think that we will be in a much better position to get these audits completed—

Senator HATFIELD. It might be helpful to us if the Commission did discuss it informally amongst themselves and—

Mr. TIERNAN. We would be happy to supply a statement for the committee.

Senator HATFIELD. One last question, Mr. Chairman.

An amendment included in the draft bill directs the Commission to work closely with the Internal Revenue Service in promulgating rules and regulations which are mutually consistent.

My question is, have you had experience, or have political candidates or committees encountered problems of inconsistencies, say, between the Federal election laws and the tax laws?

Mr. TIERNAN. Well, there have been some areas of interpretation by the Internal Revenue Service that appear to be in conflict with the FECA and some of the interpretations the Commission has made; for example, on how candidates or committees handle the excess moneys, excess campaign contributions.

Our General Counsel, Mr. Oldaker, is here with me, and we have had a good working relationship with all other Federal agencies. For example, in the area of the Federal Communications Commission, we were able to come out with a joint statement, a disclaimer, that was in conformity with the statutory language of the FCC and our own language. We have resolved that, and we could initiate a similar relationship with Internal Revenue.

If we do have a situation where we are not able to resolve our differences, we feel there is a responsibility to notify both the Senate and the House oversight committees.

Senator HATFIELD. Could you provide for the record specific instances in which there have been such inconsistencies and how you have resolved those?

Mr. TIERNAN. Yes, we will.

Senator HATFIELD. Mr. Friedersdorf, I invite your comments on any of the questions I have raised, if you would care to make some.

Mr. FRIEDERSDORF. As the newest Commissioner, Senator, I was involved in only the final consideration of three or four of the audits, so I can't speak as a Commissioner who was involved at the outset. But I support what the chairman said insofar as our expectations for completions of audits following the 1980 Presidential election. I think there's a very definite attitude among the Commission, from the Commissioners I have talked to, about expediting the 1980 Presidential audits.

I would not, as one Commissioner, be at all reluctant to support a statutory deadline for the completion of those audits. I think if there has been any error on the part of the Commission, it has been my observation that the Commission has erred on the side of leniency and restraint with some of the committees and candidates in providing their documentation. I am not criticizing that because I wasn't on the Commission at that time and didn't know the specifics. But there were a lot of delays by the committees in their failure to provide the documentation and not because of the Commission's slowness in handling the documentation after it was there.

We have a good audit team organization in place for the Presidential candidates, and I feel certain that the Federal Election Commission's record insofar as completing Presidential audits will be much, much better after the 1980 elections.

Senator HATFIELD. Mr. Vice Chairman, speaking of delays, do you feel handicapped as a member of the Commission, as a minority member of the Commission, in the fact that the Senate has had this long

delay that involves confirmation of the newest appointee by the President to the Commission?

Mr. FRIEDERSDORF. It is not helpful. It hasn't hurt insofar as our handling of routine business week to week. But, if I can speak honestly—

Senator HATFIELD. And candidly.

Mr. FRIEDERSDORF [continuing]. And candidly, I happened to go through some delay myself, so I know the mental anguish and strain—

Senator HATFIELD. That's why I asked the question.

Mr. FRIEDERSDORF [continuing]. And tension that this invokes.

For example, Commissioner Thompson, whose term has expired, has experienced difficulty in keeping staff. It is difficult for him to keep up with paperwork. I think it's a handicap not only to him but to the entire Commission to have this delay.

Senator HATFIELD. Thank you.

Mr. Chairman, would you comment on that same question?

Mr. TIERNAN. Well, Senator, frankly, we have been concerned about all the delays that we have had, and it doesn't help the morale of the Commission.

As the vice chairman indicated, Commissioner Thompson's executive assistant has left and gone to another job. His secretary had planned to leave; she had made plans to go to Florida, so he is without a secretary. My secretary and the other secretaries of the Commissioners are doing the work of his secretary. It does create some problems.

More than that, I can't say. We do have a full membership, and Commissioner Thompson participates in all meetings. I am sure it creates some problems for the nominee who is waiting, and not knowing when he's coming on board, and affects whatever plans he may have made to terminate his employment, or whatever. So it does create some problems, but I'm sure you have seen that many times with other nominees.

Senator HATFIELD. I would like the record to clearly show that Chairman Pell and this committee handled the whole matter very expeditiously, working against difficulties at the time of quorums and other such matters as normally beset any committee. But Chairman Pell persevered and we handled it, as I say, very efficiently. So this delay to which I have referred and to which the Commissioners have responded, has been due to the fact that a minority within a minority, a very few, have been seeking this delay as a matter of strategy. I am hopeful the leadership of the Senate will exercise its responsibility by bringing this matter to a conclusion.

Because as Mr. Friedersdorf indicates, there is personal involvement as well as Commission involvement. This particular nominee has severed his source of livelihood based on good faith that his candidacy would be confirmed in normal procedures, and as of the 1st of July he severed his source of income. So there is that kind of economic impact upon this man.

I think, too, that when you consider that we ask good people to offer their services to Federal, State, and local governments, they expect those matters to be handled in a fair and expeditious manner.

Mr. TIERNAN. I might say, Senator, that we have been really blessed in the sense that Commissioner Thompson could have just packed and

left. He has stayed, and I think at some personal discomfort and inconvenience.

Senator HATFIELD. So again, it's another personal handicap we have imposed on Commissioner Thompson.

Well, I appreciate your comments. Thank you.

The CHAIRMAN. Thank you, Senator Hatfield.

Senator Cannon?

Senator CANNON. Let me ask you about your recommendations concerning encouraging party and grass roots activity. Would you go through that a little, just explain what you mean by that?

Mr. TIERNAN. Yes. The statute now allows the two major national parties to participate in the Presidential general election, but that is the extent of party participation, unless they delegate to the State or local units of the party some authorization or expenditures on behalf of the candidate.

We think that is very restrictive. We had continual complaints during the election. If you recall, there was an instance where billboards had to be painted out because a local candidate for Congress or Senator had included the Presidential candidate on the sign. We think this is just a little bit too restrictive.

We would like to suggest that the committee provide some flexibility; we have made the specific recommendation that an additional limitation of 2 cents per voting population, or a minimum of \$20,000 per State, be provided for the State parties to participate in the general election.

Senator CANNON. What about the issue of the congressional State candidates to be able to give something?

Mr. TIERNAN. We also specifically recommended that an incidental or isolated appearance by a candidate for the U.S. Senate or the Congress appearing with a Presidential candidate would not be treated as an expenditure or a contribution by the Presidential candidate.

You know, we think it's a natural thing that is going to happen in a campaign. If the Presidential candidate shows up in the State and the Senator is running, he is going to be on the same platform. If the Senator has a rally and invites the President to show up, we think it's the natural thing to do, and that should not be included as an expenditure by the Senator on behalf of the Presidential candidate.

Senator CANNON. You say that the FECA should be amended to permit congressional State candidates to give occasional isolated or incidental support to their party's Presidential nominee without such expenses counting.

Mr. TIERNAN. That's right.

Senator CANNON. You referred to an appearance there where there might not be any expenses. But are you going beyond that? Are you thinking about—

Mr. TIERNAN. Well, we had the situation in 1976 wherein Koch was a congressional candidate in New York, and he made a button and put Carter's name on it—"Carter-Koch." That's an expenditure on Carter's behalf and would have had to be reported. As you recall, we—

Senator CANNON. So you anticipate that kind of a situation as well?

Mr. TIERNAN. Yes. And we think that that should be exempted.

Senator CANNON. I must say I agree on that, too.

Thank you, Mr. Chairman. I think that's all I have.

The CHAIRMAN. Thank you very much, Senator Cannon.

Mr. Chairman, as I said, we will submit some questions in writing. We would appreciate the answers coming back as quickly as possible, because we hope to have a markup of the bill in the next couple of weeks.

Mr. TIERNAN. I have indicated to counsel that we'll try to get them back by the first of the week, probably by Monday or Tuesday.

The CHAIRMAN. That would be perfect. I promise you, it will not be that 10-pound pile of documents that you gave us earlier.

Mr. TIERNAN. Thank you very much.

The CHAIRMAN. Thank you, gentlemen.

Our next witnesses, I thought we would have them all come up together so we can get the benefit of their combined views. This will be Mr. Morley Winograd, president of the Association of State Democratic Chairpersons; Mr. Fred Wertheimer, senior vice president of Common Cause; and Mr. Russell Hemenway, national director of the National Committee for an Effective Congress.

If you would all come forward, with Mr. Winograd leading off, we would be very appreciative, indeed.

I would add that full statements, addendums, anything else that you care to submit, will be inserted in the record in full, and I would hope you would synopsise your thoughts so that the committee can get on with the question, which is what really changes the ideas, because statements—at least in my case—are absorbed better with my eyes than my ears.

STATEMENT OF A PANEL CONSISTING OF MORLEY WINOGRAD, PRESIDENT, ASSOCIATION OF STATE DEMOCRATIC CHAIRPERSONS; FRED WERTHEIMER, SENIOR VICE PRESIDENT, COMMON CAUSE; AND RUSSELL D. HEMENWAY, NATIONAL DIRECTOR, NATIONAL COMMITTEE FOR AN EFFECTIVE CONGRESS

Mr. WINOGRAD. Thank you, Senator Pell. I have earlier submitted testimony. I will be brief in my summation of that material.

I am testifying on behalf of the Association of State Democratic Chairpersons, and this matter currently before the committee is of great interest to our association.

We believe that Congress, in its rush to reform our electoral process following the disclosure of the Watergate hearings, paid insufficient attention to the role of political parties in that process. This committee's efforts to remedy their earlier oversight are to be commended.

In easing the reporting requirements, the draft bill recognizes that most political committees are not sophisticated organizations, but are loose associations of individuals who willingly give of their spare time to engage in our Nation's political life.

And as every candidate knows, it is from these individuals, primarily volunteers, that our political system draws its vitality. To the extent reporting and recordkeeping requirements deter volunteer participation in Federal elections, our political system suffers.

In this area, the association would like to advance one idea not cur-

rently found in the committee draft bill, which we believe to be of value.

It has been our experience that local political party committees have become reluctant to engage in Federal-election related activity. They generally do not have legal and accounting assistance available, and local committees, therefore, have chosen not to run the risks of Federal regulation.

This, in turn, leads to less party identification with the candidate, and all of the evils that that creates. One step which the association recommends to reverse this trend is to change the triggering requirement for registration and reporting for State and local party committees which neither directly contribute to nor make expenditures on behalf of Federal candidates.

Instead of having to register and report as soon as the committee receives contributions, or makes expenditures totalling \$1,000, the association recommends that such committees be allowed to accept, without being subject to the registration and reporting requirements, contributions which in the aggregate do not exceed \$5,000 in any calendar year. This would allow local party committees to take advantage of the proposed and present exemptions from definition of expenditures without having to go through the burdens of registering and reporting.

For example, a local party committee could distribute slate cards which are exempted from the definition of expenditure without having to register and report, provided the committee has not received contributions totaling more than \$5,000 in any calendar year. This amendment would give our local party committees, especially the smaller county committees, a role in Federal elections free from the burden of the Campaign Act and would do so without doing violence to the legitimate goals of the Campaign Act.

To comment briefly on other aspects of the bill, we are very happy to see your draft contemplates a role for State party organizations in Presidential elections, because during the 1976 campaign we justifiably felt frozen out of the Presidential campaign. By giving us the ability to spend 2 cents times the voting age population, the committee will take a great step toward remedying the earlier oversight.

We would also like to commend the changes that the draft bill proposes to encourage volunteer activity, and to the extent the law encourages volunteer activity, we would consider it a success no matter what else happens. We again commend the committee on those amendments in the draft bill.

It is the politics of party, the politics of coalition and accommodation, which is our Nation's best defense against the divisiveness of special interest politics. These amendments will encourage a better relationship between our political parties and their candidates, and between our parties and their members.

In closing, I would urge that the committee in amending the Campaign Act seek a system of regulation that encourages rather than discourages people from participating in our electoral process. Nothing is accomplished if in our eagerness to rid our electoral system of corruption we rid it of its lifeblood, an active involved citizenry.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Winograd.

I would like to ask Mr. Wertheimer if he would give his summary now. I am very grateful that Chairman Tiernan is staying here, and we hoped you would for the question period, because we may want to ask the FEC some questions, too.

FRED WERTHEIMER

Mr. WERTHEIMER. Thank you, Mr. Chairman.

Let me say at the outset we appreciate the work that the chairman, the former chairman, and this committee have done in the campaign finance area over the years. We believe it has been excellent work.

We generally supported the provisions in S. 926 in the last Congress that were designed to simplify and correct problems in the reporting area, and our support continues in that area.

In my testimony we outline a number of specific changes that we think should be made. I want to touch on a few of them. They have been before this committee before.

We believe that the provision in section 441 (b) that allows corporations and labor unions to use their funds to pay for administrative costs of political action committees, while others cannot, is a discriminatory provision and should be eliminated. We hope this act will bring into conformance the legislation that deals with surplus campaign funds with the rules of Congress which presently prohibit the conversion of campaign funds for personal use. Those rules apply to Members of Congress but do not apply to challengers and do not apply to retiring Members.

We think the random audit provisions of the act, the provisions that allow random audits, are very important. This committee in the last Congress resisted the House's effort to eliminate the power of the Commission to conduct random audits. We hope you will continue that position.

We support, as we have in the past Congress, the various provisions referred to by Mr. Winograd and Chairman Tiernan that deal with the mistake that was made in the 1974 law in not providing a role for the State parties in Presidential elections, the 2 cents per voter role. We think that provision is an important provision and should be added, as well as the other provisions that this committee has backed in the past to deal with the role of parties at the State and local level in Presidential and other campaigns.

I would like to say a few words about the Federal Election Commission. To date, we feel the Commission has fulfilled its basic purpose, that purpose being to establish that campaign finance laws that were on the books had to be complied with. I think candidates are taking those laws seriously. I think contributors are taking those laws seriously.

There also have been serious problems, however, problems that have caused credibility problems for the Commission. Our feeling is that unless those problems are dealt with, the future ability of the FEC to effectively oversee laws will become open to very serious question.

The battles that have gone on over appointments to the Commission have worked to politicize the Commission to providing the public with the spectacle that personal and party loyalty is the test for becoming a member of the Commission—and sometimes it's one form of party loy-

alty to some members of a party, and another form of party loyalty to other members of the same party—rather than a test of whether the individuals are basically committed to enforcing and carrying out the law.

We do not think there is any justification for the delays that have gone on with respect to the confirmation process for Mr. Reiche. We recognize the work this committee has done on the nomination, and we think the Senate should take that nomination up and act on it as soon as it can.

Very appropriate criticisms have been raised with respect to the auditing procedures of the Commission, particularly with regard to the timeliness of those auditing procedures. The Commission has brought in outside help and have hired Arthur Andersen to take a look at their auditing procedures. We commend them for that.

There have also been questions of delays raised in the enforcement area. We, ourselves, have been involved in one case where we filed a complaint before the Commission in October of 1976 against the American Medical Association. No action was taken. We filed a second complaint along the same lines in 1978, and to date no action has been taken. We are presently in court suing the Federal Election Commission, whose position is that this matter is still under investigation.

It has gone through two elections now, and without the court suit—and we don't know what the timing of that will be—we could wind up going through three elections without a very basic question being resolved, a question dealing with whether the contribution limits on the books are being violated or not.

The timeliness issue, the questions of appropriate allocation of resources, auditing procedures, all deserve and need very careful consideration. The Commission has been in existence now since 1975. I think we're at a very critical point for the Commission. As I say, it has served its basic purpose. Prior to the existence of the Commission, campaign finance laws were not enforced and they weren't complied with. I don't think we have that record today.

But the future is a different question. Sufficiently serious questions have been raised about the functioning of the Commission, that those questions must be dealt with or else we face the chance that the Commission will not be taken seriously in the future, and the whole system of campaign laws will break down.

One final point. As we said before to this committee, we believe and still believe there are fundamental problems in the system for financing congressional races. Those are problems that will not be solved until a new alternative system for financing elections is adopted. We think it is essential to enact a new public financing system for congressional races and to bring under control and reverse the growth of the PAC movement in American politics.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. And as a dues-paying member of Common Cause, I thank you for your testimony.

We would now like to hear from Mr. Hemenway, representing the National Committee for an Effective Congress, with which certainly this Senator has had a long and pleasant association.

Mr. Hemenway, your full statement will be put in the record, if you care to summarize.

RUSSELL D. HEMENWAY

Mr. HEMENWAY. Thank you very much, Mr. Chairman. I am delighted to have been invited to testify on the draft legislation. It was over 13 years ago that the National Committee for an Effective Congress first testified on campaign finance legislation, and we would like to commend the committee, in general, for this draft, which my testimony generally supports.

We have some reservations about the proposed legislation. Specifically, we think that section 330 has some problems. The personal expenditure declaration will be used as a political issue by candidates of all stripes and of all parties. If the real purpose of this section is to notify voters that the said candidate will be spending some portion of his own money to get elected, we feel its inclusion unnecessary. The objective of section 330 can be achieved through other means.

A candidate of moderate means should not be politically penalized for risking large personal debt to purchase television time in the final days of the campaign. The public is not well-served by such a false issue.

Further, the amount of personal money needed in the closing days of a campaign cannot be estimated. It's hard to know what the precise amount of receipts are going to be 60 days before a primary or within 5 days after qualifying for nomination.

We propose that "personal expenditures" be reported as they occur, within 48 hours of their expenditure. The proposal appropriately acknowledges the problems with projected receipts and expenditures, and insures the voters' right to know.

One point I would like to comment upon briefly, Mr. Chairman, if I may—Mr. Wertheimer has already mentioned it, and I identify with his remarks.

We have testified on several occasions before this committee about the inequitable treatment of political action committees. So in addition to the amendments now being considered, I would like to call your attention to a subject that we have talked about many times.

The Federal Election Campaign Act now recognizes two types of nonparty multicandidate political committees. First, most common are business and labor PAC's, supported by corporations, trade and professional associations, and labor unions. Section 441(b) of the FECA authorizes these interests to make expenditures from their general treasuries to administer and solicit contributions to their PAC's and imposes limitations on PAC activity.

Under current law, the parent can pay the salaries of PAC employees, the costs of legal and accounting services, rent on PAC offices and office equipment, travel, and per diem for those attending PAC meetings, fees for consultants providing services to the PAC, postage, and printing charges for PAC solicitations, and all expenditures remotely related to administering or soliciting contributions. Not only can these be crucial to the operation of the PAC, but none are required to be reported. We do not have the slightest idea what businesses and trade unions spend to administer their PAC's, although we assume that it involves large sums of money.

The second type of multicandidate committee, not described in section 441(b) of the act, are those of self-sustaining organization, like the National Committee for an Effective Congress, who do not have corporate- or labor-connected parents to defray administrative costs. These organizations are primarily ideological committees whose support of candidates is based on a similar political philosophy or stand on a particular political issue. These committees must pay all expenses from their general treasuries, and all expenditures must be fully reported to the Federal Election Commission.

The advantages accorded political action committees which represent economic interests unfairly discriminates against independent, self-sustaining citizen committees and accounts for the continuing growth among the former committees.

Business and labor groups have established over 1,300 new PAC's since 1975, two-thirds of these since I last appeared before this committee in 1977. Virtually all of these are sponsored by corporations and trade associations. Contributions from these PAC's to candidates increased by over \$16.5 million, a 4½-fold increase over the same period.

In contrast, there are only a few independent political action committees, and contributions have increased from less than three-quarters of a million dollars in 1974 to \$2.5 million in 1978.

NCEC proposes that this committee do one of two things to lessen the comparative advantage enjoyed by other political action committees:

One, repeal section 441(b)(2)(c) and require that all PAC's pay their costs of administration; or two, redefine the term "contribution" to exclude contributions for the purpose of administering a PAC.

The original intent of campaign finance reform legislation was to limit the influence of business and labor interests, and encourage the participation of individuals. It is sadly ironic that a reform movement begun to limit the activity of special interests should come full circle to give these groups a comparative advantage over the interests of a group of like-minded citizens.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, indeed, gentlemen.

[The prepared statements of Mr. Winograd, Mr. Wertheimer, and Mr. Hemenway follow:]

STATEMENT OF MORLEY WINOGRAD, PRESIDENT OF THE ASSOCIATION OF STATE
DEMOCRATIC CHAIRPERSONS

I want to thank the Committee for the opportunity to appear here today and testify on behalf of the Association of State Democratic Chairpersons. The matter presently being considered by the Committee, amending the Federal Election Campaign Act, is one of great interest to the Association. The Association believes that Congress in its rush to reform our elector process following the disclosures of the Watergate hearings, paid insufficient attention to the role of political parties in that process. This Committee's efforts to remedy the earlier oversight, as reflected in the draft bill presently under consideration, are to be commended.

In easing the reporting requirements, the draft bill recognizes that most political committees are not sophisticated organizations but are loose associations of individuals who willingly give of their spare time to engage in our nation's political life. And as every candidate knows, it is from these individuals, primarily volunteers, that our political system draws its vitality. To the extent reporting and record-keeping requirements deter volunteer participation in fed-

eral elections, our political system suffers. Although the Association finds laudable the steps that the bill proposes to reduce the reporting burden, the Association does not believe that these steps go far enough.

It has been the experience of the Association that local party committees have become reluctant to engage in federal-election-related activity. Generally not having legal and accounting assistance available, local committees have chosen not to run the risks of federal regulation. This in turn leads to less party identification with the candidate and the concomitant rise of special interest politics. One step which the Association recommends to reverse this trend is to change the triggering requirement for registration and reporting for state and local party committees which neither directly contribute to nor make expenditures on behalf of federal candidates.

Instead of having to register and report as soon as the committee receives contributions or makes expenditures totalling one thousand dollars, the Association recommends that such committees be allowed to accept, without being subject to the registration and reporting requirements, contributions which in the aggregate do not exceed five thousand dollars in any calendar year. This would allow local party committees to take advantage of the proposed and present exemptions from the definition of expenditure without having to register and report. For example, a local party committee could distribute slate cards which are exempted from the definition of expenditure without having to register and report, provided that the committee has not received contributions totalling more than five thousand dollars in any calendar year. This amendment would give our local party committees, especially our small county committees, a role in federal elections free from the burden of the Campaign Act and would do so without doing violence to the legitimate goals of the Campaign Act.

The Association is happy to see that the draft bill contemplates a role for state party organizations in Presidential elections. During the 1976 Presidential election, state parties justifiably felt frozen out of the Presidential campaign. By giving state committees the ability to spend up to two cents times the voting age population of the state on behalf of their party's Presidential candidate, as the draft bill proposes, this Committee will take a great step toward remedying the earlier oversight.

Also to be commended are the changes that the draft bill proposes to encourage volunteer activity. Volunteers are a central feature of participatory democracy. Not only are volunteers the mainstay of all political campaigns, but the educational opportunity with which the volunteer is provided serves the needs of an active involved citizenry. The extent to which the law encourages volunteer activity is an important measure of its success. From this perspective, the amendments offered by the draft bill can only help to assure the ultimate success of this legislation.

The draft bill contains a number of other amendments which will strengthen our political parties. With the rise of single interest politics, these amendments are indeed timely. For it is the politics of party, the politics of coalition and accommodation, which is our nation's best defense against the divisiveness of special interest politics. Those amendments will encourage a better relationship between our political parties and their candidates and between our parties and their members. Again, the Association can only applaud this Committee for the direction it is taking.

In closing, I would urge that the Committee in amending the Campaign Act seek a system of regulation that encourages rather than discourages people from participating in our electoral process. For nothing is accomplished if in our eagerness to rid our electoral system of corruption, we rid it of its life blood, an active involved citizenry.

STATEMENT OF FRED WERTHEIMER, SENIOR VICE PRESIDENT, COMMON CAUSE

Thank you, Mr. Chairman and Members of the Committee, for the opportunity to testify today. The federal election law is of critical importance to the political process and the country. We applaud the Committee's efforts to correct certain ambiguities and shortcomings in the present federal election laws.

The nation was sufficiently scandalized by the financing of the 1972 Presidential election to ensure the enactment of comprehensive campaign reform legislation. Today, the Federal Election Campaign Act of 1971, as amended in 1974 and 1976, has become an integral and essential part of the political process. But,

as with any legislation, improvements can be made. While the memories of Watergate may be receding, it remains important today to correct the deficiencies in the election statute. If citizens cannot have confidence in the election process, they certainly will not have confidence in those in office.

In our testimony today we will focus particular attention on a number of proposals which we believe will help make the Act more workable. We also feel it is important to discuss the history and operation of the Federal Election Commission and the factors which have handicapped the Commission's effectiveness. Finally, we want to point out that very basic problems remain with regard to the financing of Congressional elections, problems that will not be solved short of the establishment of a system of Congressional public financing. Until a new system for financing Congressional races is created, the nation's political process will remain fundamentally flawed.

FECA AMENDMENTS

In the 95th Congress, Common Cause strongly supported S. 926, a comprehensive election reform proposal reported by this Committee which would have established a system of partial public financing for Senate elections and would have made a number of important changes in the FECA. While a majority of the Members of the Senate favored this measure, the public financing provisions of the bill were struck due to a Senate filibuster. The remaining sections of S. 926 were eventually passed by the Senate, and we believe that this legislation serves as a sound framework for the Committee's consideration.

We believe that this Committee should look carefully for various ways to simplify the Act, and we stand ready to support any legitimate proposals in this area. We do believe, however, that it is essential to continue to require adequate reporting and bookkeeping requirements. Politics was virtually the last segment of our national life in which the handling of large amounts of money escaped bookkeeping and auditing. Record-keeping and auditing are the price of honesty and integrity in the political arena—a relatively small price to pay.

The FEC has made a number of excellent proposals for simplifying the disclosure and reporting processes. We strongly support, for example, its recommendations to reduce the number of reports to be filed and to simplify the Statements of Organization filed by political committees.

To simplify reporting requirements, we would recommend that the Commission be designated as the sole point-of-entry for all disclosure documents filed by federal candidates and the committees which support them. Under the present statute, these reports are filed with the Commission, the Clerk of the House, or the Secretary of the Senate. Such multiplicity can create confusion, make it time-consuming for the Commission to carry out its responsibilities, and most importantly, require the maintenance of three different, but duplicative, depositories. A single point-of-entry at the federal level would end this confusion, facilitate timely enforcement, and cut expenses.

We suggest, however, that candidates and committees continue to be required to file copies of reports with state election officials. The press and other citizens should continue to have access to campaign disclosure information at the state level.

One provision of S. 926 as passed would have increased the reporting threshold for individual contributions from \$101 to \$201. We urge that this change not be included in this Committee's proposals. We recognize that itemized disclosure of smaller expenditures may be burdensome, but we do not believe that the case has been made for increasing the threshold for disclosure of contributions. Normally, such information is already available to the Commission, the press, and the public.

We believe that section 441b of the present law should be amended to prohibit political committees of corporations and labor unions from using corporate funds or union dues to pay for committee administration or solicitation costs. This would eliminate an unfair advantage that section 441b committees currently have over the other political committees which must pay for their solicitation and administrative costs with voluntary campaign funds. This prohibition should, in our view, include an exemption for *de minimis* expenditures so as not to impose unreasonable recordkeeping requirements.

S. 926, as passed, prohibited the use of surplus campaign funds from being converted to personal use. Rules for both the U.S. House and Senate contain similar prohibitions. We urge this Committee to include such a restriction in

any legislation. This provision would end the present situation in which one set of rules applies for incumbents with another standard for defeated candidates or retired Members.

We believe that statutory provisions regarding the Commission's power to conduct random audits of federal campaigns should be clarified and strengthened. Voluntary compliance is at the heart of the election laws and the potential for Commission review of campaign finances is an important enforcement tool. As a deterrent, random audits are a significant and effective guarantor of voluntary compliance, as the experience of the Internal Revenue Service illustrates. Without real threat of detection, candidates and their agents may soon ignore or circumvent the law. History gives them every assurance that with an ineffective enforcement institution, their violations could go unnoticed and unpunished.

Unfortunately, in the face of Congressional resistance, the Commission has embarked on only the most limited random audit program for Congressional races, and even this effort is now under attack in the FEC authorization bill recently approved by the House Administration Committee. In the last Congress, the Rules Committee recognized the need for a random audit policy and insisted that language be included in S. 926 which gave the Commission the clear authority to conduct such audits. We urge the Committee to include a similar provision in any new proposals.

We also recommend that the Commission be given a multi-year authorization. A multi-year authorization would increase the Commission's ability to engage in long-range planning, recognize the cyclical nature of the Commission's workload, and provide a degree of insulation from potential Congressional intimidation.

As we have previously indicated to this Committee, we believe that the system worked well in 1976. But, not surprisingly, there were some problems, and certain changes in the statute are appropriate. In particular, we recommend that: (a) spending limits for Presidential candidates be increased; (b) state and local political parties be given a spending role in the Presidential general election; (c) minor party and independent candidates be eligible to receive matching public funds during the course of the general election campaign; and (d) the delegate spending loophole be plugged, subjecting all contributions to unpledged delegates to the \$1,000 contribution limit.

S. 926, as passed by the Senate, addressed some of these concerns by giving state party committees the right to spend two cents times the state's voting-age population on behalf of the party's Presidential nominee. That legislation also would have permitted a state or local party committee to pay for volunteer activity materials, such as bumper stickers and pins, without attribution of cost to any spending limit. As we testified in 1977, we believe that a mistake was made in the law by not authorizing a spending role for state and local parties in the Presidential general election. We believe that the amendments in this area made in S. 926 are appropriate and workable solutions to this shortcoming.

THE FEDERAL ELECTION COMMISSION

In examining the successes and problem areas associated with the election law, we cannot only look at the statute. The performance of the institution responsible for administering the law must also be ensured.

The Federal Election Commission appears to have fulfilled its basic purpose to date, that of having candidates, contributors, and others covered by the law, take it seriously and voluntarily comply with its requirements. But there have been problems, very serious ones at times, and they have undermined the credibility of the Commission. Unless these problems are dealt with, the future effectiveness of the Commission in overseeing compliance with the law is open to serious doubt.

A review of the history of federal election laws reveals a sorry record of non-compliance in the past and helps explain the key role that the Commission has played since it came into existence.

The first campaign financing legislation enacted in this country was the Tillman Act of 1907, which prohibited national banks and corporations from making any expenditure in connection with any election to public office. In 1911, the Tillman Act was amended to require Senators, Representatives, and political committees to file reports of receipts and expenditures before and after elections.

The first prosecution was not brought until nine years after passage of the original Act

The Federal Corrupt Practices Act of 1925 required candidates for federal office and political committees to file contribution and expenditure reports with the Secretary of the Senate and the Clerk of the House. A person who failed to comply was subject to criminal sanctions. In its 47 years of existence, almost no prosecutions were brought under the 1925 Act.

In 1954, Attorney General Herbert Brownell issued an order addressed to U.S. Attorneys stating that the Department of Justice would not act in the absence of a request from the Clerk of the House or the Secretary of the Senate. During this period, the Clerk took the position that his duty was to receive the reports but not to make referrals to the Department of Justice.

As the United States District Court found in *Buckley v. Valeo*, "The Secretary of the Senate, the Clerk of the House and the Department of Justice have largely failed to enforce prior campaign financing practices legislation." (*Buckley v. Valeo*, Jt. Appendix (Vol. II-Part A), Dist. Court Finding 139).

The long record of almost total non-enforcement of campaign financing laws was a major underlying cause of the campaign financing scandals that grew out of Watergate in 1973 and 1974.

To break this cycle of non-compliance, the Federal Election Commission was created in 1975 and invested with the responsibility to oversee the FECA. The Commission's basic purpose was to administer and enforce the provisions of the new federal campaign finance law. Under the law, disclosure was designed to inform the electorate of the financial backing and spending patterns of the candidates. Contribution limits and restrictions were intended to thwart undue influence in government. Public financing was included to curb the influence of special interest giving in Presidential elections and remove candidates' dependence on public contributions. Auditing of those public funds was provided to assure taxpayers that public dollars were spent within the confines of the law. An independent Federal Election Commission was established as the keystone of an effective system of campaign finance regulation.

On balance, the FEC has done a good job of enforcing the law that it was created to oversee. Compared to pre-FEC times, there have been major improvements. Information is readily available on the campaign finances of committees and candidates. Presidential primary and general election candidates are able to obtain public funds for their campaigns. There appears to have been very little misuse of those monies. The bans on corporate and labor contributions seem to have been honored. Millions of individuals have participated in the financing of their candidates by means of the income tax check-off.

In order to administer the election law effectively, however, it is imperative that the FEC be a credible institution. Lately that credibility has more and more been called into question, as a result of both external political factors and internal administrative failures.

By playing politics with Commission appointments, the Congress and the President have seriously damaged the credibility of the FEC. Its lack of credibility as an independently-minded enforcer of campaign finance laws was ignored. We have seen the nomination of Republican Sam Zagoria sabotaged by members of his own party, not because he would have been a poor Commissioner, but because his political party and ideological credentials were considered weak. Now it seems that a repeat performance is in progress concerning the nomination of Frank Reiche. In both these cases, a candidate has been opposed, not because of inadequate experience or poor qualifications, but because their party credentials were considered to be not sufficiently orthodox.

In the case of Commissioner John McGarry, President Carter and others seemed concerned only that the candidate was not clearly disqualified to serve. This is not the only case, furthermore, where the White House and Congress have approved Congressionally sponsored candidates whose questionable independence was cause for serious concern. In such a partisan-charged atmosphere, Commissioners come to see their roles as representatives of the parties, not of the general public. Citizens and the media begin to legitimately question whether interpreting and implementing an important federal law are their primary motivations.

Second, some of the internal operations of the FEC also have been seriously flawed. Appropriate criticism has been expressed regarding the auditing procedures of the Commission, particularly with regard to the Presidential candidates. Three years and seven months after the 1976 Presidential election, the FEC completed the audit of the winner, Jimmy Carter. For the primary campaign of

George Wallace, no final report has been released. The audit reports for the Harris, Shriver and Udall campaigns—each recipients of public funds—are still open, pending repayment.

In the enforcement area, while the FEC has acted against candidates who have failed to file reports, it still has allowed far more serious matters to drag on without resolve. Let me give one example that Common Cause has been involved in. We believe that the American Medical Association (AMA) since 1976 has flouted the contribution limits in the election law and continues to do so in the absence of Commission enforcement. The contribution limits in the FECA restrict each political action committee to a contribution of \$5,000 per candidate per election. The anti-proliferation provision in Section 441a of the statute makes clear, in our view, that state entities of a national organization are considered to be part of one overall group for purposes of the limit. Therefore, the political committees of the state and national organizations are subject to an aggregate contribution limit of \$5,000 per election.

Nonetheless, in 1976, the national AMA and its state affiliates contributed through their PACs in excess of this \$5,000 limit in more than 45 instances. On the basis of these violations, Common Cause filed a complaint with the Commission in October of 1976. No formal action was taken by the FEC. In June of 1978 we filed a second complaint; again the Commission took no action.

It is clear that the pattern of violations continues. In the 1978 Congressional elections, the AMA again violated this statute, in our view, and made a total of 92 contributions in excess of the statutory limit. Yet more than two and one half years after Common Cause first raised the issue with the Commission, the FEC has taken no action and states that it is still investigating and needs more time. If the Commission is allowed to continue its investigation through yet another election year, there is no reason to think that the AMA will not again ignore the contributions limit of the law for the third election in a row in 1980.

Our attempts to end what we believe is a clear abuse of the election laws met with totally unsatisfactory action at the FEC. We have found it necessary therefore to turn to the federal courts to obtain effective enforcement of the FECA. In November, 1978 we filed suit against the AMA. Most complainants, however, would not have the resources to request the court to carry out a job for which the FEC was created.

The FEC's disclosure efforts regarding 1978 campaign financing reports has been a vast and much needed improvement over its 1976 activities. Today a variety of information is available through FEC computer printouts and other publications reporting the amounts that candidates raised and spent during the campaign. We commend the Commission's efforts to make this data available to the public. However, as yet, the FEC has not provided complete information on specifics about the campaign's finances for the 1978 elections. Computer tapes and publications detailing how much each candidate received and from whom, are desirable and necessary for the media, researchers, and others.

Clearly, it is vital that the Commission perform all of its duties in a timely manner. Yet that has not been happening. Audit reports released two and one half years after the election concerned are not satisfactory. A ruling by the Commission in the AMA case in 1980 will come too late to deal with illegal campaign contributions made in 1976, 1978 and perhaps 1980, even if these monies are required to be repaid.

RECOMMENDATIONS

It is clear that certain steps must be taken to improve administration of the FEC. First, the auditing procedures must be improved. Policy changes on the part of the Commission can and should be adopted to streamline the audit process in the future. While the public has a right to know that its money was spent appropriately, it should also have such information in a timely fashion.

The FEC recently has undertaken several steps to improve its auditing operations, including contracting with the accounting firm of Arthur Anderson & Co. for recommendations on audit procedures. The Commission has also requested suggestions from the GAO for improvements in their certification process for Presidential matching funds. We strongly endorse and applaud these steps.

Second, the compliance procedures also need to be studied. The statutory timetable for enforcement should be clarified, providing the Commission with a series of reasonable, but real, deadlines for reaching either conciliation, civil actions,

or findings of no violations. This would prevent the kind of protracted delays we have encountered in the handling of the complaint against the AMA.

Third, machine-readable computer tapes should be made available to the press and the public in order to broaden knowledge about the nation's campaign finances.

The failure of the Commission to carry out its responsibilities in a timely fashion should be examined and addressed. In this vein, a comprehensive review of Commission staffing patterns should be undertaken to determine if the necessary resources are available and properly allocated. The leadership and management ability of top staff members should also be examined.

SUMMARY

In conclusion, we believe that the FECA is a fundamentally sound election law. There are ways in which it can be and should be improved. We urge this Committee to carefully review the recommendations of the FEC, and the work done in the 95th Congress, and to adopt amendments which will strengthen the Federal Election Campaign Act.

We believe that the FEC can work. The problems which it is experiencing today, and which are responsible for an erosion of its credibility, relate to political game-playing and administrative failures. The President and the Congress must stop treating the Commission as their private playground. The FEC was designed and intended to protect the electorate, not just the interests of political partisans. That should be the basis for decisions by the President and the Senate during the nomination and confirmation process of future Commissioners.

A strong and effective election commission could not be more important. We already have seen how the electoral process can disintegrate with poorly enforced election laws. We must not forget the long history of almost total non-enforcement of campaign financing laws in this country. Excessive politicization and poor administration of the FEC will lead inevitably to the kind of public disillusionment which the Commission was designed to correct.

We believe, however, a far more significant change is needed—the extension of partial public financing to Congressional campaigns. In 1980, as in 1976, we presently face the prospect of federal elections conducted under two different laws—one based primarily on public financing and another based totally on private financing with unlimited expenditures.

This double standard for financing federal campaigns can only exacerbate the growth of special interest political action committees (PACs). The amount of PAC contributions nearly tripled from 1974 to 1978, mushrooming from \$12.5 million to more than \$35 million in 1978. PAC spending in Senate races has more than tripled, soaring from \$3.2 million in 1974 to \$10.8 million in 1978.

The number of PACs also exploded during this period. In early 1974 there were some 600 PACs; today there are more than 1,800.

Given the arms race that exists today in the PAC world, Members of Congress are bound to become more and more dependent on PAC giving, and the impact of PACs is bound to grow. More and more Congressional policy in key areas will become most responsive to those interest groups able to give the most money. More and more, it will be the PACs of America who are represented in Congress—not the citizens.

In addition to the need for Congressional public financing, we believe that changes must be made to reduce the role of PAC contributions in Congressional campaigns. Representatives David Obey and Tom Railsback will soon introduce in the House the Campaign Contributions Reform Act of 1979, which would cut the amount a PAC may contribute to a candidate for a House seat from \$5,000 per election to \$2,500 per election. This legislation would also limit the aggregate amount a House candidate may receive from all PACs combined to \$50,000 per election cycle (*i.e.*, from one general election to the next).

We believe that these proposals are very important new restraints that are necessary to bring the PAC movement under control. We urge this Committee to consider and draft similar legislation which will reduce the dependence of Senate candidates on PAC contributions.

Mr. Chairman, thank you again for the opportunity to testify on these matters. We believe that the issues involved here are of vital importance to the credibility of Congress and the wellbeing of the political process. We stand ready to assist this Committee in any way that we can.

STATEMENT OF RUSSELL D. HEMENWAY, NATIONAL DIRECTOR, NATIONAL COMMITTEE
FOR AN EFFECTIVE CONGRESS

Mr. Chairman, I want to thank you for giving me the opportunity to address your committee. It has been thirteen years since NCEC first testified before Congress on the need for campaign finance legislation. It is in that same spirit that I come before you and your committee today; to testify regarding proposed additions and substantive changes to the Federal Election Campaign Act of 1971. Our committee and its supporters, who number over 80,000 in fifty states, have been dedicated to the idea of progressive reform since the committee's inception in 1948. As you know, NCEC was founded by a group of distinguished Americans who saw the need to encourage citizens to participate in the political process by pooling their resources to help finance the election campaigns of men and women whose character and commitment to progressive legislation was paramount.

NCEC, like other independent, ideological committees, gives campaign assistance with no strings attached. We have lobbied only during times of crisis or for major advances in the progressive cause. We represent no special economic interest, but are, rather, a broad-based citizen's organization assisting both Democrats and Republicans, incumbents and challengers. As a political action committee which has supported hundreds of candidates in congressional elections, and as an organization that has experienced a continuing relationship with the Federal Election Campaign Act and the Federal Election Commission, NCEC has had a unique perspective on election campaigns and campaign finance legislation.

We are here today to support the committee's draft, which provides desperately needed technical amendments to the Federal Election Campaign Act. We believe that these amendments will strengthen parties, as well as, reduce the paperwork burden for all candidates and committees.

STRENGTHENING PARTIES—SECTIONS 431 AND 441a(d)

Specifically, the revisions of Section 431 will allow state and local party committees to become more active in nationwide campaigns than is currently permitted. NCEC applauds these revisions. Regarding the definitions of "contribution" and "expenditure," we are very pleased with the exclusion of delegate travel and of local or state campaign material used for volunteer activity from these definitions. We also applaud the addition to section 441a(d), which regards the presidential campaign, of two cents times voting age population expenditures. Our campaign experience shows that party volunteers perform the bulk of all get-out-the-vote activities. The ability of a community-based, local party effort to be more closely identified with the presidential campaign will mean more volunteers, simply because volunteers will believe their contribution to be significant. More volunteers to work on get-out-the-vote activities could translate into greater voter participation and higher turnout—results all of us would like to see.

REPORTING REQUIREMENTS: THE PAPERWORK BURDEN

The reporting requirement revisions will reduce the number of reports from twenty-four to nine over a two-year period. While this may seem insignificant, the current reporting procedure cost the NCEC more than \$13,500 over the last two years. Combining this revision with an increase in the reporting threshold relieves a significant paperwork burden for all committees and the Federal Election Commission. Such would also permit committees to spend more of their precious resources on affecting the election and less on overburdening paperwork.

PERSONAL EXPENDITURE DECLARATION—SECTION 330

While we applaud nearly all of the committee's draft, Section 330 of the bill disturbs us. The personal expenditure declaration will be used as a political issue by candidates of all stripes. If the real purpose of this section is to notify voters that the said candidate will be spending some portion of their own money to get elected, we feel its inclusion unnecessary. The objective of Section 330 can be achieved through other means.

A candidate of moderate means should not be politically penalized for risking large personal debt to purchase television time in the final days of the campaign. The public is not well-served by such a false issue.

Further, the amount of personal monies needed in the closing days of a campaign are inestimable because the precise amount of receipts is inestimable

sixty days before a primary or within five days after qualifying for nomination.

We propose that "personal expenditures" be reported as they occur, within forty-eight (48) hours of their expenditure. This proposal appropriately acknowledges the problems with projected receipts and expenditures and insures the voters' right to know.

EQUITABLE TREATMENT FOR PAC'S—REPEAL SECTION 441b(b)(2)(c)

In addition to the amendments now being considered by this committee, I would like to call your attention to a subject I have discussed many times in the past: that of the equitable treatment of political action committees.

The Federal Election Campaign Act now recognizes two types of non-party multi-candidate political committees. First, most common are business and labor PACs supported by corporations, trade and professional associations and labor unions. Section 441(b) of the FECA authorizes these interests to make expenditures from their general treasuries to administer and solicit contributions to their PACs and imposes limitations on PAC activity.

Under current law, the parent can pay the salaries of PAC employees, the costs of legal and accounting services, rent on PAC offices and office equipment, travel and per diem for those attending PAC meetings, fees for consultants providing services to the PAC, postage and printing charges for PAC solicitations and all expenditures remotely related to administering or soliciting contributions to the fund. Not only can these be crucial to the operation of the PAC but none are required to be reported.

The second type of multi-candidate committee, not described in Section 441(b) of the Act are those of self-sustaining organizations, like NCEC, who do not have corporate or labor connected parents to defray these administrative costs. These organizations are primarily ideological committees whose support of candidates is based on a similar political philosophy or stand on a particular political issue. These committees must pay all expenses from their general treasuries and all expenditures must be fully reported to the Federal Election Commission.

The advantages accorded political action committees which represent economic interests unfairly discriminates against independent, self-sustaining committees and accounts for the continuing growth among the former committees.

Business and labor groups have established over 1,300 new PACs since 1975; two-thirds of these since I last appeared before this committee in 1977. Virtually all of these are sponsored by corporations and trade association contributions to candidates increased by over \$16.5 million, a 4½ fold increase, over the same period. In contrast there have been only a few independent political action committees formed and contributions have increased from less than three-quarters of a million in 1974 to \$2.5 million in 1978.

NCEC would like to propose that this committee do one of two things to lessen the comparative advantage enjoyed by other political action committees: (1) Repeal Section 441b(b)(2)(c) and require that *all* PACS pay their costs of administration; or (2) redefine the term "contribution" to exclude contributions for the purpose of administering a PAC.

The original intent of campaign finance reform legislation was to limit the influence of business and labor interests and encourage the participation of individuals. It is sadly ironic that a reform movement begun to limit the activity of special interests should come full circle to give these groups a comparative advantage over the interests of a group of like-minded citizens.

The CHAIRMAN. Mr. Winograd, I sort of liked your idea, where you would have local committees having a threshold of \$5,000 before they got into the reporting business, as opposed to \$1,000, and I was just curious what the reactions would be to that, before going to Mr. Tierman, what the reaction of Mr. Wertheimer and Mr. Hemenway would be to that.

Mr. WERTHEIMER. I would like to look at it, because I'm not quite sure what Mr. Winograd means. I think I would have a problem if Mr. Winograd means that if an individual gave \$5,000 to a local party committee to be used in a congressional race, that that individual's \$5,000 contribution would not have to be reported. So I'm not quite—

The CHAIRMAN. I think what he means is the committee could put into it some limiting phrase, that no contribution would be more than \$1,000.

Mr. WINOGRAD. The problem is that we are in a very generous way and appropriate way creating some exemptions from the limitations imposed upon local party activity in the area of slate cards and other materials, and saying "we want you to go ahead and do this kind of voluntary activity; the materials you prepare for volunteers, you don't have to record or keep track of under your expenditure limitations."

But then we're saying, "If you raise any money to pay for these materials, you still have to report to the Federal Elections Commission the minute your aggregate contributions exceed more than \$1,000."

Our local party committees, frankly, without the ability to fight their way through the forms, and send the mail to Washington, and understand when the due dates are, will still tell us, if we don't add this provision, "thank you very much for permission to do it, but we don't want to report it and therefore we're not going to do it," because the amounts are not significant.

The CHAIRMAN. I guess my own thinking on this legislation is what the Federal Election Commission really needs is a bit of time, as you do with so many legislative matters, to let these organizations stand still for a bit and digest the law and make it work.

So what I thought about what we should do today is not so much tighten up, but loosen up a certain amount. Having been a candidate in 1978, as others of my colleagues in this committee were, the amount of paperwork involved is just tremendous.

I commend the Federal Election Commission for the actions they have recommended in reducing that tremendous volume of paperwork, and any more reductions in paperwork and simplicity, I believe we should do, even if by doing so a small element of risk is involved.

I think the present structure is so binding to those of us who are candidates, that it almost drives out of the political arena small groups, people who are a little frightened to participate in the Federal election process, across the country.

Mr. Hemenway, did you have anything further?

Mr. HEMENWAY. Well, when we talk about the crisis in the process, we normally focus on the number of Americans voting in primary elections and general elections. But there are other crises. One is that fewer and fewer people seem to be giving money to politics, on any level, State, local or Federal—

The CHAIRMAN. The candidates are spending more and more.

Mr. HEMENWAY. Yes, they're spending more and more. But the percentage of contributing Americans doesn't seem to be increasing very much.

But more importantly, from my point of view, the number of people who are volunteering to work in campaigns seems to be declining. In 1978 the number of volunteers in a number of congressional campaigns could be counted on one hand. Fewer and fewer people seem to be involved in the process as volunteers in campaigns.

Anything that can be done to loosen the act, as you suggest, without destroying the act, to encourage more people to participate in politics along the lines that Mr. Winograd is suggesting, this is very important and perhaps crucial.

The CHAIRMAN. I would like to impose on Chairman Tiernan, who has been kind enough to stay here for these witnesses, what would be your thought on that?

Mr. TIERNAN. Well, Mr. Chairman, I think it would be ill-advised for me to make any specific comments to the suggestions made by the chairman. But we have been concerned about this, and that is why in our recommendations we have been trying to lessen the reporting burden on the committees, and also with regards to the local party participation, the Commission has in some advisory opinions attempted to give them greater flexibility.

I think the suggestion is one that I personally feel is needed, but I think it would be inappropriate for me to indicate the Commission has bought this because it hasn't been specifically before them.

The CHAIRMAN. That I quite understand. But thank you for your personal thoughts.

I would now like to turn for a moment to Mr. Hemenway. Why do you think that independent PACs such as the National Committee for an Effective Congress, who potentially have an unlimited number of members, should be on an equal footing with economic interest PACs, labor unions or corporations, in terms of paying administrative costs?

Theoretically, you can draw on all 225 million citizens where—

Mr. HEMENWAY. I don't think it should be on an equal footing, Mr. Chairman. I think they should be given certain advantages. We have no economic interest. We're not a trade union or an association of corporations up here on Capitol Hill lobbying every day for every piece of legislation. We—

The CHAIRMAN. Forgive me, because you have been kind enough to support me in the past, but you represent a liberal viewpoint.

Mr. HEMENWAY. Yes, we do.

The CHAIRMAN. You do represent a viewpoint.

Mr. HEMENWAY. Yes, we do. But we're not an economic interest. It seems unfair that a trade union or corporation can spend all the money it needs in organizing and administering and soliciting funds, never to report a dime of that to the Federal Election Commission. Citizens and voters are completely in the dark as to how much is being spent by trade unions, by trade associations and corporations. The Federal Government in terms of corporations is paying for 50 percent of it, as it's all a deductible item for the corporation. Citizens' committees—not only the National Committee for an Effective Congress—but the conservative Committee for the Survival of a Free Congress and any citizens committee that might come into existence in the future, has to raise all these administrative funds and report them all. I think such an inequity ought to be corrected.

I think it ought to be corrected now, so that citizen participation in the political process will be encouraged and not discouraged.

Mr. WERTHEIMER. Mr. Chairman, if I could comment on that.

I don't think citizens or ideological groups should be given advantages over the other PAC's that exist, but I do think they should be treated the same. The way the law presently works, a corporation or union can use virtually unlimited sums to finance the cost of raising money, so that a corporation could spend \$2 million to raise \$500,000,

and a labor union could spend \$2 million out of union dues to raise \$500,000. This is something that no one else can do.

At that point you really have corporations and labor unions subsidizing the money that is going directly to the candidates, whereas other PAC's have to pay for their costs from funds that are raised from contributions. So that I think there is a legitimate case for treating all PAC's alike in this area.

Our feeling with respect to PAC's goes much further than this. We would very substantially reduce and limit their role in the political process. But with respect to this question, I think there is an argument for equitable treatment.

The CHAIRMAN. I think the two suggestions that were made to try to help resolve the problem—one would be the repeal of that provision of the law requiring that all PAC's pay their cost of administration, I don't think that would fly politically—and I'm not sure it's all that bad. I think probably in a country where the cleanest elections are run at this point is Great Britain. There, as you know, corporations and labor unions directly pay. So I'm not sure that would be the answer.

The second suggestion of Mr. Hemenway perhaps we could buy, and that is to redefine the term "contribution" to exclude contributions for the purposes of administering a PAC. That, I would think, might conceivably be acceptable, wouldn't it?

Mr. WERTHEIMER. We would oppose that, Mr. Chairman, because frankly, what you would be doing at that point is allowing—is going in a direction which would allow an individual to put up \$500,000 or \$1 million or \$2 million to finance the costs of PAC activity. In effect, the PAC could simply become the individual who is paying enormous sums to raise money. I think that is a tilt in the wrong direction.

The CHAIRMAN. I see. Thank you.

Do you have any comment on this?

Mr. TIERNAN. I have nothing further.

The CHAIRMAN. Senator Hatfield?

Senator HATFIELD. Thank you, Mr. Chairman.

Mr. Hemenway, you raise a very significant issue in relation to the unreporting of these particular PAC groups and other trade associations, et cetera.

Do I understand that you feel the minimum that should be required is a reporting of the costs associated with these fund-raising activities, or is there some further step you would like to take beyond just the public reporting of those costs?

Mr. HEMENWAY. Well, I think we have a right to know how much is being spent by trade unions and corporations to run their PAC's. But yes, I think the next step is absolutely necessary. I think that citizens groups should be treated equitably with these corporate and trade association PAC's.

Mr. Wertheimer has criticized the "back door" approach to this, as suggested by Chairman Pell. I think the first proposal that I made is probably preferable—to cause the trade unions and the corporate PAC's to pay for their administrative costs out of money they solicit. That's what all citizens groups have to do.

But my real concern is the future of the process, where we encourage rather than discourage participation by citizens in politics. One of the best ways that citizens have found to participate is through groups organized to support like-minded candidates.

What you have now is a situation that discourages this, and I think it should be changed.

Senator HATFIELD. Mr. Hemenway, do you have any idea of how we can bring more into the open and make more accountable the fund-raising organizations that are commercialized today, like Mr. Viguerie & Co., and other such similar groups?

Mr. HEMENWAY. Well, you have a pretty stringent set of laws on the books—you're about to amend them through this bill. I don't think it weakens them very much, and streamlines it slightly.

Senator HATFIELD. Do you think they're adequate to get at the information and have the public disclosure in those activities I referred to?

Mr. HEMENWAY. I think we've got pretty good public disclosure, Senator, in this law.

Senator HATFIELD. Well, yes, but I'm referring now specifically to the kind of commercial fund-raising activities that we have proliferating around. Do you think there are adequate disclosure laws affecting them, or—

Mr. HEMENWAY. We have been thinking now for over a decade on how to write more stringent laws without violating people's constitutional rights, and it is very difficult to go much further.

Senator HATFIELD. Mr. Wertheimer, I think you justifiably raise a criticism about the delay in the confirmation of Mr. Reiche. I would be interested to know how many Senators you have "button-holed" in terms of trying to persuade some action on that front.

Mr. WERTHEIMER. We haven't button-holed any Senators, Senator Hatfield—

Senator HATFIELD. Could you?

Mr. WERTHEIMER. Yes, we would be happy to.

Senator HATFIELD. I would invite you to, and the same for each of you.

Thank you, Mr. Chairman. I have nothing further.

The CHAIRMAN. Senator Cannon.

Senator CANNON. Thank you, Mr. Chairman.

First, Mr. Hemenway, your second alternative to exclude contributions for the purpose of administering a PAC, how are you going—in your organization, for example, how would you go about excluding those contributions? Would you say, when you're soliciting funds, "we're soliciting funds now for administering the PAC or administering the organization", rather than for supporting a candidate?

Mr. HEMENWAY. That's the way the corporate and trade union PAC's do it. They call up the treasurer of the company or treasurer of the union and say, "We need a little more money to run the PAC, to pay the rent; we have to expand the staff, have to do some travel", and they just take it out of their general treasury.

We can't do that. We have to go out and raise it.

Senator CANNON. I know. But what I'm talking about, how would you handle it if we changed it in this provision?

Mr. HEMENWAY. If you allowed us to raise administrative costs, we could go out and solicit money beyond the contribution limits, beyond

the \$5,000 now in the law, for administrative costs. Obviously, we would have to report very carefully to the FEC.

We have just undergone a very stringent FEC audit and have always maintained very good books. I see no reason why those funds couldn't be segregated.

Senator CANNON. You answered Senator Hatfield in a manner that kind of surprised me. As I understood it, you felt that the disclosures now required of these fund raisers, such as the one Senator Hatfield gave you, was fully accountable. I don't think they are.

I would like to ask the Commission, isn't it a fact that if a fund raiser such as the example given here is out raising funds on precise issues rather than for a particular candidate, that he doesn't have to report to you people?

Mr. TIERNAN. Well, for example, if a vendor such as Viguerie undertook to carry on a campaign by direct mail solicitation, and bills your campaign, you would list it in your filings with us as an expenditure to Mr. Viguerie. That's the only knowledge that we would have because you would list it as an expenditure. But the specific details of that expenditure—we wouldn't have any more than that. In other words, you would report a payment to Viguerie, or whatever the name of the corporation is, of "\$10,000 for mailing." That would be it. That would be the extent of the public disclosure.

I think the response to Senator Hatfield's question, and I think what Mr. Wertheimer is concerned about, is that if you adopted the suggestion, someone could come into an organization and say "I'll give you \$50,000 to pay for your administrative costs," and there is nothing in the law requiring that to be reported. That would be just as the corporation now doesn't have to report how much it gives to the PAC to administer its PAC activity, or the union, you know, doesn't have to report its PAC's administrative costs out of treasury money. That is not reported to us, Senator. So we don't have any public disclosure of that.

Now, I think that initially is what Mr. Hemenway's point was. But I think one of those suggestions would go further than what I, as an individual Commissioner, could recommend, and I think that's what Mr. Wertheimer was referring to.

Mr. WERTHEIMER. Let me just point out that my concern goes beyond the reporting requirements. It also goes to the fact that you open up the situation to unlimited contributions. You open the system up in one area to unlimited contributions.

Mr. WERTHEIMER. You have a \$5,000 limit now, so that here you could—

Senator HATFIELD. Would Senator Cannon yield a moment for one followup on that?

Senator CANNON. Surely.

Senator HATFIELD. Let me understand. Does Mr. Viguerie, as an example, make any report to you of any kind?

Mr. TIERNAN. No. No other vendor makes a report to us, no other provider. I mean, IBM doesn't report to us, but if you buy equipment from IBM that costs \$10,000, you report that as an expenditure on your reports.

Senator HATFIELD. But isn't there some distinction here? IBM is not primarily organized to influence the political life of this country, either through issues or through candidates. Whereas, as I understand the Viguerie operation, it is primarily fund-raising to which it is geared; not just political, but primarily to the political field. I guess he would raise money for many things, if you paid the fee.

But here we have an increasing amount of money, how many millions of dollars flowed into one senatorial election through Mr. Viguerie's efforts alone—at least according to the newspapers that I read. That activity, predominantly political, is not reported to you. I'm not saying that it certainly should, but I'm not saying it shouldn't have, either.

I would delineate between IBM or the AFL-CIO PAC or trade association PAC and that kind of operation, or I would say there's more similarity than maybe we have been willing to face up to.

Mr. WERTHEIMER. Senator, if I could comment, the question there—and maybe the committee would want to look not so much at the disclosure question, but the issue of how credit is being used. Because what we may well be dealing with is the question of direct-mail fund raising, not simply being a question of fund raising but of banking activities, in a sense. That is to say, extending credit in a way that transfers credits into, in effect, loans which would be subject to limitations if anyone else were making loans. But in the area where a vendor decides to extend unlimited or longtime credit, you're going beyond what anyone else can do. That's an area the House Administration Committee looked at in the last Congress, and it is one way of perhaps bringing into balance something that appears to be out of balance at this point.

Senator HATFIELD. If you have any material or research on any of that—

Mr. WERTHEIMER. Yes, we do, Senator.

Senator HATFIELD. I would like very much to see it.

Mr. WERTHEIMER. We'll get that to you.

The CHAIRMAN. One thought here. If we accepted some of the idea, Mr. Hemenway, and put a limit on the amount of personal contributions that could be made for administrative purposes, would that limitation apply to both the individual and the corporation or labor union, too? That would not then work out, it would seem to me, that a group like Mr. Hemenway's could get 10 individuals each to put up \$5,000 if that was the limit, but the corporation, General Electric, or the labor union, the Baker's Union, they could not go out and get other unions or other corporations to participate with them.

I don't see how that could be made fair, do you?

Mr. HEMENWAY. I think it's more difficult. As I suggested by my full testimony, I think the easiest way is to make it equitable by requiring everybody to raise their administrative costs. We can function perfectly well—

The CHAIRMAN. I don't think that will fly politically. Both sides will oppose that, I think.

Mr. HEMENWAY. What you're allowing now, Mr. Chairman, if I may say so, is not only a situation that is inequitable, not only a situation that discourages citizen activity, but you are allowing the prolifera-

tion of corporate and trade association and labor PAC's, a situation that has been decried in these hearings over the last several years—the spread of these PAC's, the increase in the numbers, the increase in the amount of money going into politics from these PAC's.

I think if you did this, you say it may be politically difficult, but you would immediately slow down the proliferation of these political action committees.

The CHAIRMAN. I'm just trying to think out if there's any way of working out some method here—maybe it could be done in such a way that you would be allowed as a threshold a certain sum of money that could be raised from different individuals for administrative costs and not touch the corporations or labor unions; they would still be able to draw on their treasury. But I don't think you're going to be able to prevent that, in my judgment, in view of the Congress.

Mr. HEMENWAY. In terms of the corporation, Senator, the Federal Government is paying 50 percent of those expenses. They are a deductible expense to the corporation.

Senator CANNON. Well, the Federal Government is also paying a very substantial amount of the money that you get, because of people taking it off on their taxes.

Mr. HEMENWAY. That's right, but not to that degree, not 50 percent.

Senator CANNON. So I don't think that's a fair example.

What percent of the money that you solicit is used for your administrative costs?

Mr. HEMENWAY. In 1978, our administrative costs were higher than they had been; direct mail expenses have gone up. I think they were better than 40 percent in 1978.

Senator CANNON. I was told they were about 43 percent. I don't know whether that's correct, but if it is, then certainly the people who are making those contributions are taking advantage of the tax laws, so the Federal Government is paying that portion of it, just as it is through the corporate administrative expense or through the PAC administrative expense.

I think you make a little misleading representation, too, when you say citizens groups. You know, the PAC's are citizens, and the labor union groups are citizens, and they are certainly citizens groups and are making the contributions. So I think it would be more accurate if you said the non-PAC's or the non-labor-union groups of citizens.

I don't think the citizens that contribute to your organization should enjoy any special category over those citizens who happen to belong to a labor union and contribute that way, or who happen to belong to a corporation who are employees and contribute in that way.

Mr. HEMENWAY. In our case, Senator, if I may, you know exactly how much our administrative costs are. We have to report those to the FEC. I am suggesting with the PAC's, we have no idea what they are spending—

Senator CANNON. I understand that there is a disparity there, and I am trying to see how we might have a chance of correcting it.

Mr. Winograd, in your suggestion, as I understood it, you are raising the limit of \$1,000 to \$5,000, and Mr. Wertheimer questioned that. I think all you were talking about, as I understood it, was to raise the trigger factor—

Mr. WINOGRAD. Correct.

Senator CANNON [continuing]. So that if you didn't have the triggering factor of the \$1,000 that you have now, more of your local committees might participate and raise and expend funds and get active if the triggering factor were up to, say, \$5,000 rather than \$1,000; is that correct?

Mr. WINOGRAD. That's correct, Senator. Because again, the triggering floor is being raised only for those things which the committee is already considering so important to the political process that they don't want to have any regulation over it, volunteer activity, et cetera. If you're not going to regulate it, then why are the local parties going to have to report it?

Senator CANNON. Right.

Mr. WERTHEIMER. I would like to just take a look at the proposal and submit our views for the record on that.

Senator CANNON. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

I have one question for Mr. Wertheimer. You have been critical of the nomination and confirmation process for the FEC. Do you have any suggestions as to how it can be improved? I'm talking about the process. You can't change the characters—

Mr. WERTHEIMER. Frankly, I don't know. The issue here in terms of the process is one of scheduling, of an orderly and timely approach. Now, whether you can deal with that by a process question—the committee has reported the nomination, for example, of Mr. Reiche, and yet it hasn't been scheduled. It hasn't been scheduled because at least one Senator, in particular, is holding it up. There may be others who object to it, but the concept of simply holding it up because there's a hold on it, and therefore letting it sit around for weeks and weeks, there's really no justification for scheduling that way.

On the other hand, that is not a process question. That's a scheduling question.

The CHAIRMAN. It's part of the whole Senate process, but the rules are taken advantage of, maybe incorrectly, but you can't change the rules just for the confirmation of the Senate on a nominee for the FEC. You have the same problem arising for confirmations to some other commissions or for some of—

Mr. WERTHEIMER. Then you have the problem of more and more legislation. I mean, I think it is a general problem for the Senate that sooner or later they're going to have to face, because it seems to be that in more and more cases one or two individuals, by the use of the hold concept, are able, because of the intensity of their interests, to push matters to the side.

The CHAIRMAN. There you're correct, but that's a general process.

Mr. WERTHEIMER. It is a general problem.

The CHAIRMAN. I thank you, gentleman, very much indeed for being with us this morning. The testimony was helpful and I thank you for your being here.

Gentlemen, I thought we might move on to the administrative business of the committee. The FECA legislation will be drafted up and I would hope distributed to the various members by the end of this coming week, so that we can mark up the Federal Election Commission's new Federal election law by 2 weeks from today.

[At this point, the committee considered the administrative business on the agenda.]

The CHAIRMAN. We will meet again in 2 weeks to mark up and hopefully report out the FECA amendment bill.

[Whereupon, at 12:05 p.m., the Committee on Rules and Administration was adjourned.]

[The first committee discussion draft, and a summary thereof, are as follows:]

129610.165

DISCUSSION DRAFT
July 6, 1979

96th CONGRESS
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES

MR. _____

introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To amend the Federal Election Campaign Act of 1971, and for other
purposes.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled.

3 Section 1. This Act may be cited as the "Federal
4 Election Campaign Act Amendments of 1979".

5 TITLE I--AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971
6 CHANGES IN DEFINITIONS

7 Sec. 101. (a) Section 301 (e) of the Federal Election
8 Campaign Act of 1971 (2 U.S.C. 431 (e)) (hereafter in this
9 Act referred to as the "Act"), is amended by striking out

1 in paragraph (4) "the national" and inserting in lieu
2 thereof "any political".

3 (b) Section 301 (e) (5) of the Act (2 U.S.C. 431 (e) (5))
4 is amended--

5 (1) by amending subparagraph (B) to read as follows:

6 "(F) the use of real or personal property and
7 the cost of invitations, food, and beverages,
8 voluntarily provided by an individual to a candidate
9 or a political committee of a political party in
10 rendering voluntary personal services on the
11 individual's residential premises for candidate-
12 related or political party-related activities, to the
13 extent that the cumulative value of such activities
14 by such individual on behalf of any candidate does
15 not exceed \$1,000, and on behalf of any political
16 committee of a political party does not exceed \$1,000,
17 with respect to any election;"

18 (2) by amending subparagraph (C) to read as follows:

19 "(C) the sale of any food or beverage by a
20 vendor for use in a candidate's campaign or for use
21 by a political committee of a political party at a
22 charge less than the normal comparable charge, if
23 such charge for use in a candidate's campaign or for
24 use by a political committee of a political party is
25 at least equal to the cost of such food or beverage

1 to the vendor, to the extent that the cumulative
 2 value of such activities by such vendor on behalf of
 3 any candidate does not exceed \$1,000, and on behalf
 4 of any political committee of a political party does
 5 not exceed \$1,000, with respect to any election;'';

6 (3) by amending subparagraph (D) to read as follows:

7 ''(D) any unreimbursed payment for travel
 8 expenses made by an individual who on his own behalf
 9 volunteers his personal services to a candidate or a
 10 political committee of a political party, to the
 11 extent that the cumulative amount for such individual
 12 incurred with respect to such candidate does not
 13 exceed \$1,000, and with respect to such political
 14 committee of a political party does not exceed
 15 \$1,000, with respect to any election;'';

16 (4) by striking out ''or'' at the end of subparagraph
 17 (H); and

18 (5) by striking out all after the semicolon in
 19 subparagraph (I) and adding the following:

20 ''(J) funds contributed to a candidate for
 21 delegate or delegate to a State or national political
 22 convention or any unreimbursed payment for travel and
 23 subsistence expenses made by any delegate or any
 24 candidate for delegate to a convention or caucus of a
 25 political party or any payment of expenses incurred

1 by a State or local political party in sponsoring any
2 party meeting, caucus, or convention held for the
3 purpose of selecting delegates to a national
4 nominating convention of a political party;

5 (K) the payment by a State or local committee
6 of a political party of the costs of campaign
7 materials used in connection with volunteer
8 activities on behalf of a candidate (such as pins,
9 bumper stickers, handbills, pamphlets, posters, and
10 yard signs, but not including the use of
11 broadcasting, newspapers, magazines, or other similar
12 types of general public political advertising) if
13 such payments are made only with funds not designated
14 for a particular candidate;

15 (L) the value of listing or mentioning the name
16 of any Presidential candidate in any Federal or non-
17 Federal candidate's campaign materials, including any
18 listing or mentioning made on broadcasting stations,
19 in newspapers, magazines, or other similar types of
20 general public political advertising, where the
21 purpose of such listing or mentioning is to promote
22 the candidacy of such Federal or non-Federal
23 candidate and such listing or mentioning was
24 initiated by such Federal or non-Federal candidate;
25 or

1 “(M) the value of transportation furnished by a
2 person to a candidate in that person’s vehicle,
3 vessel, or aircraft other than--

4 “(1) transportation to a meeting, or other
5 campaign event, at which the candidate will make
6 an address relative to, or solicit or receive
7 contributions to, his campaign, or

8 “(11) transportation to, or in, the State or
9 district comprising a candidate’s potential
10 constituency provided during the period beginning
11 or the earlier of--

12 “(I) the first day of January of the
13 year preceding the year in which the term for
14 the seat to which the candidate seeks
15 election is to expire, or

16 “(II) the date on which the candidate
17 qualifies as a candidate under the provisions
18 of section 301 (b) (1), and
19 ending on the first Tuesday after the first
20 Monday in November of such year;”.

21 (c) Section 301 (f) (4) of the Act (2 U.S.C. 431 (f) (4))
22 is amended--

23 (1) by amending subparagraph (D) to read as follows:

24 “(D) the use of real or personal property and
25 the cost of invitations, food, and beverages,

1 voluntarily provided by an individual to a candidate
2 or a political committee of a political party in
3 rendering voluntary personal services on the
4 individual's residential premises for a candidate-
5 related or political party-related activity, to the
6 extent that the cumulative value of such activity by
7 such individual on behalf of any candidate does not
8 exceed \$1,000, and on behalf of any political
9 committee of a political party does not exceed
10 \$1,000, with respect to any election;'';

11 (2) by amending subparagraph (E) to read as follows:

12 ''(E) any unreimbursed payment for travel
13 expenses made by an individual who, on his own
14 behalf, volunteers his personal services to a
15 candidate or a political committee of a political
16 party, to the extent that the cumulative amount for
17 such individual incurred with respect to such
18 candidate does not exceed \$1,000, and with respect to
19 such political committee of a political party does
20 not exceed \$1,000, with respect to any election;'';

21 (3) by striking out in subparagraph (J) ''the
22 national'' and inserting in lieu thereof ''any
23 political'' and by striking out ''or'' immediately after
24 the semicolon in such subparagraph;

25 (4) by adding at the end of paragraph (K) the

1 following:

2 “(L) the value of listing or mentioning the name
3 of any Presidential candidate in any Federal or non-
4 Federal candidate's campaign materials, including any
5 listing or mentioning made on broadcasting stations,
6 in newspapers, magazines, or other similar types of
7 general public political advertising, where the
8 purpose of such listing or mentioning is to promote
9 the candidacy of such Federal or non-Federal
10 candidate and such listing or mentioning was
11 initiated by such Federal or non-Federal candidate;

12 “(M) any costs incurred by a delegate or a
13 candidate for delegate to a State or national
14 political convention, or by any political committee
15 with respect to such delegate or candidate for
16 delegate, without regard to whether such delegate or
17 candidate for delegate is pledged or committed to any
18 Presidential candidate, or any unreimbursed payment
19 for travel and subsistence expenses made by any
20 delegate or any candidate for delegate to a
21 convention or caucus of a political party or any
22 payment of expenses incurred by a State or local
23 political party in sponsoring any party meeting,
24 caucus, or convention held for the purpose of
25 selecting delegates to a national nominating

1 convention of a political party;

2 "(N) the payment by a State or local committee of
3 a political party of the costs of campaign materials
4 used in connection with volunteer activities on
5 behalf of a candidate (such as pins, bumper stickers,
6 handbills, pamphlets, posters, and yard signs, but
7 not including the use of broadcasting, newspapers,
8 magazines, or other similar types of general public
9 political advertising) if such payments are made only
10 with funds not earmarked for a particular candidate,
11 but such costs shall be reported in accordance with
12 the requirements of section 304 (b); or

13 "(O) the value of transportation furnished by a
14 person to a candidate in that person's vehicle,
15 vessel, or aircraft other than--

16 "(i) transportation to a meeting, or other
17 campaign event, at which the candidate will make
18 an address relative to, or solicit or receive
19 contributions to, his campaign, or

20 "(ii) transportation to, or in, the State or
21 district comprising a candidate's potential
22 constituency provided during the period beginning
23 or the earlier of--

24 "(I) the first day of January of the
25 year preceding the year in which the term for

1 the seat to which the candidate seeks
2 election is to expire, or

3 "(II) the date on which the candidate
4 qualifies as a candidate under the provisions
5 of section 301 (b) (1), and
6 ending on the first Tuesday after the first
7 Monday in November of such year;"

8 (d) Section 301 (c) of the Act (2 U.S.C. 431 (c)) is
9 amended by inserting a comma and "and as amended
10 thereafter" immediately before the semicolon.

11 ORGANIZATION OF POLITICAL COMMITTEES

12 Sec. 102. (a) Section 302 (a) of the Act (2 U.S.C. 432
13 (a)) is amended--

14 (1) by striking out "chairman or" in the second
15 sentence; and

16 (2) by striking out "chairman or treasurer, or their
17 designated agents" in the third sentence and inserting
18 in lieu thereof "treasurer, or his designated agent".

19 (b) Section 302 (e) of the Act (2 U.S.C. 432 (e)) is
20 amended--

21 (1) by inserting before the period in the first
22 sentence in paragraph (1) "or notify the Commission that
23 such individual will not authorize any political
24 committee to receive contributions or make expenditures
25 on his behalf";

1 (2) by striking out ``a'' immediately before
 2 ``political committee'' in paragraph (2) and inserting in
 3 lieu thereof ``an authorized''; and

4 (3) by adding at the end thereof the following:

5 `` (4) The name of each principal campaign committee
 6 of a candidate shall include the name of such
 7 candidate.''. .

8 REGISTRATION OF POLITICAL COMMITTEES

9 Sec. 103. (a) Section 303 (a) of the Act (2 U.S.C. 433
 10 (a)) is amended by striking out the last sentence thereof.

11 (b) Section 323 (b) of the Act (2 U.S.C. 433 (b)) is
 12 amended--

13 (1) by striking out paragraph (3) and redesignating
 14 paragraphs (4), (5), and (6) as paragraphs (3), (4), and
 15 (5), respectively;

16 (2) by striking out paragraphs (7) and (8) and
 17 redesignating paragraph (9) as paragraph (6);

18 (3) by adding ``and'' at the end of paragraph (6), as
 19 redesignated in paragraph (2); and

20 (4) by striking out paragraph (10) and redesignating
 21 paragraph (11) as paragraph (7).

22 (c) Section 303 (c) of the Act (2 U.S.C. 433 (c)) is
 23 amended by inserting immediately before the period a comma
 24 and ``except that any change in the information required by
 25 subsection (b) (5) need not be reported by a multicandidate

1 committee, as defined in section 320 (a) (4)".

2 (d) Section 303 (e) of the Act (2 U.S.C. 433 (e)) is
3 amended by striking out "a" immediately before "political
4 committee" and inserting in lieu thereof "an authorized".

5 REPORTS

6 Sec. 104. (a) Section 304 (a) of the Act (2 U.S.C. 434
7 (a)) is amended to read as follows:

8 "(a) (1) Except as otherwise provided in paragraph (2),
9 each treasurer of a political committee registered with the
10 Commission as provided in section 303 and each candidate for
11 election to such office who has not designated a principal
12 campaign committee as provided in section 302 (e) (1) shall
13 file with the Commission reports of receipts and expenditures
14 on forms to be prescribed or approved by such Commission.

15 "The reports referred to in the preceding sentence shall
16 be filed as follows:

17 "(4) In any calendar year in which an individual is a
18 candidate for Federal office and an election for such Federal
19 office is held in such year--

20 "(i) each political committee authorized by a
21 Presidential candidate to accept contributions or make
22 expenditures on his behalf and which operates in more
23 than one State, each multicandidate political committee
24 or political committee authorized by a Presidential
25 candidate to accept contributions or make expenditures on

1 his behalf with respect to which the Commission has
2 approved a request filed as provided in paragraph (3),
3 and each Presidential candidate who has not designated a
4 principal campaign committee as provided in section 302
5 (e) (1) shall file such reports monthly, as required by
6 the Commission, except that in lieu of filing the report
7 otherwise due in November of such year, a report shall be
8 filed not later than the twelfth day before the date on
9 which such election is held and shall be complete as of
10 the twentieth day before the date of such election;

11 "(ii) in any other case, such reports shall be filed
12 not later than the twelfth day before the date on which
13 such election is held and such reports shall be complete
14 as of the twentieth day before the date of any such
15 election, and, in addition thereto, such reports shall be
16 filed not later than the tenth day following the close of
17 each calendar quarter (hereinafter referred to as
18 'quarterly reports'), such reports to be complete as of
19 the close of such calendar quarter, except that if any
20 report which must be filed prior to any such election is
21 due during the period beginning on the fifth day
22 following the close of any calendar quarter and ending on
23 the fifteenth such day, the quarterly report otherwise
24 due need not be filed;

25 "(iii) in addition to the reports required to be

1 filed as provided in clauses (i) and (ii), such reports
2 shall be filed after December 1 of such calendar year,
3 but not later than January 31 of the following calendar
4 year, and shall be complete as of the close of the
5 calendar year with respect to which such reports are
6 filed; but

7 "(iv) the requirement for the filing of any
8 quarterly report as provided in clause (ii) shall be
9 waived if the candidate or political committee files with
10 the Commission a notification, on a form prescribed or
11 approved by the Commission, not later than the tenth day
12 following the close of the calendar quarter involved,
13 stating that the aggregate amount of contributions
14 received or expenditures made by such candidate or
15 political committee during such calendar quarter did not,
16 taken together, exceed \$1,000.

17 "(8) In any other calendar year in which an individual
18 is a candidate for Federal office, such reports shall be
19 filed--

20 "(i) monthly, as required by the Commission, in the
21 case of a multicandidate political committee or political
22 committee authorized by a Presidential candidate to
23 accept contributions or make expenditures on his behalf
24 with respect to which the Commission has approved a
25 request filed as provided in paragraph (3); and

1 “(ii) in any other case, not later than July 10 of
2 such calendar year and shall be complete as of June 30,
3 and after December 31 of such calendar year, but not
4 later than January 31 of the following calendar year, and
5 shall be complete as of the close of the calendar year
6 with respect to which the report is filed; but

7 “(iii) the requirement for the filing of the July 10
8 report by a candidate or his authorized committees as
9 provided in clause (ii) shall be waived if such candidate
10 or committees file with the Commission a notification, on
11 a form prescribed or approved by the Commission, not
12 later than the 10th day of July, stating that the
13 aggregate amount of contributions received or
14 expenditures made by such candidate or committees during
15 the reporting period did not, taken together, exceed
16 \$5,000; and

17 “(iv) the requirement for the filing of the July 10
18 report by a political committee which is not the
19 authorized committee of a candidate as provided in clause
20 (ii) shall be waived if such committee files with the
21 Commission a notification, on a form prescribed by the
22 Commission, not later than the 10th of July, stating that
23 the aggregate amount of contributions received or
24 expenditures made by such political committee during the
25 reporting period did not, taken together, exceed \$1,000.

1 Any contribution of \$1,000 or more received after the
2 twentieth day but more than forty-eight hours before any
3 election shall be reported within forty-eight hours after its
4 receipt. Any contribution of \$1,000 or more made by a
5 multicandidate political committee after the twentieth day
6 but more than forty-eight hours before any election shall be
7 reported within forty-eight hours after it is made.

8 “(2) Each treasurer of a political committee authorized
9 by a candidate to accept contributions or make expenditures
10 on his behalf, other than the candidate's principal campaign
11 committee, and each candidate who designates a principal
12 campaign committee as provided in section 302 (e) (1) shall
13 file the reports required by this section with the
14 candidate's principal campaign committee.

15 “(3) Upon request by any multicandidate political
16 committee or any political committee authorized by a
17 Presidential candidate to accept contributions or make
18 expenditures on his behalf, the Commission may permit such
19 committee to file monthly reports in any calendar year
20 instead of the reports specified in paragraphs (1) (A) (1)
21 and (1) (B) (ii).

22 “(4) Nothing in this subsection shall be construed to
23 require any delegate or candidate for delegate to any State
24 or national caucus or convention of a political party who is
25 not the treasurer of a political committee or a candidate for

1 election to Federal office to report to the Commission any
2 gift of anything of value or any reimbursed or unreimbursed
3 payment for travel and subsistence expenses incurred in
4 connection with such caucus or convention.''.
5

6 (b) Section 304 (b) of the Act (2 U.S.C. 434 (b)) is
7 amended by striking out ``\$100`` in paragraphs (2), (7), (9),
8 and (12) each place it appears and inserting in lieu thereof
9 ``\$200``.

10 (c) Section 304 (e) of the Act (2 U.S.C. 434 (e)) is
11 amended by striking out paragraphs (1) and (2) and inserting
12 in lieu thereof the following:

13 `` (1) Every person (other than a political committee
14 or candidate) who makes independent expenditures
15 expressly advocating the election or defeat of a clearly
16 identified candidate, other than by contribution to a
17 political committee or candidate, in an aggregate amount
18 in excess of \$250 during a calendar year shall file with
19 the Commission, or a form prepared by the Commission, a
20 statement containing the information required with
21 respect to a person who makes a contribution in excess of
22 \$200 to a candidate or a political committee and the
23 information required of a candidate or political
24 committee receiving such a contribution.

25 `` (2) Statements required by this subsection shall be
filed on the date specified in subsection (a) (1) (A)

1 (11) or (a) (1) (P) (11), whichever is appropriate. Such
2 statements shall include (A) the information required by
3 subsection (b) (9), stated in a manner indicating whether
4 the independent expenditure is in support of, or
5 opposition to, the candidate; (B) under penalty of
6 perjury, a certification whether such independent
7 expenditure is made in cooperation, consultation, or
8 concert with, or at the request or suggestion of, any
9 candidate or any authorized committee or agent of such
10 candidate; and (C) an identification of each person who
11 has made a contribution of more than \$200 to the person
12 filing such statement, which was made for the purpose of
13 furthering an independent expenditure. Any independent
14 expenditure, including those described in subsection (b)
15 (13), of \$1,000 or more made after the twentieth day, but
16 more than twenty-four hours, before any election shall be
17 reported within twenty-four hours after such independent
18 expenditure is made.''.
19

20 (d) Section 304 (b) (12) of the Act (2 U.S.C. 434 (b)
21 (12)) is amended by inserting '', and in accordance with
22 section 326 (c),'' after ''may prescribe''.

23 REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

24 Sec. 105. Section 305 (b) of the Act (2 U.S.C. 435 (b))
25 is amended by striking out the material in quotation marks
and inserting in lieu thereof the following: ''A copy of our

1 report is filed with and is available for purchase from the
2 Federal Election Commission, Washington, D.C.".

3 FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

4 Sec. 106. (a) Section 306 (c) of the Act (2 U.S.C. 436
5 (c)) is amended to read as follows:

6 "(c) Debts and Pledges.--The Commission shall provide by
7 regulation for an exemption from the reporting requirements
8 of this Act for contributions and expenditures in the nature
9 of debts and other contracts, agreements, and promises to
10 make contributions or expenditures. In determining aggregate
11 amounts of contributions and expenditures, amounts exempted
12 under such regulations shall not be considered until actual
13 payment is made."

14 (b) Section 305 (d) of the Act (2 U.S.C. 436 (d)) is
15 amended by striking out "304 (a) (1) (A) (ii), 304 (a) (1)
16 (B), 304 (a) (1) (C)," and inserting in lieu thereof "304
17 (a) (1),".

18 CAMPAIGN DEPOSITORIES

19 Sec. 107. (a) Section 308 (a) (1) of the Act (2 U.S.C.
20 437b (a) (1)) is amended--

21 (1) by inserting immediately after the second
22 sentence the following: "Any candidate who has not
23 designated a principal campaign committee as provided in
24 section 302 (e) (1) shall maintain a single checking
25 account and such other accounts as the candidate

1 determines to maintain at his discretion at a depository
 2 designated by him and shall deposit any contributions
 3 received by such candidate into such account.";

4 (2) by inserting "or, in the case of a candidate who
 5 has not designated a principal campaign committee as
 6 provided in section 302 (e) (1), in the account
 7 maintained by such candidate" immediately before the
 8 period in the fourth sentence, taking into account the
 9 amendment made in paragraph (1) of this subsection; and

10 (3) by inserting "or candidate" immediately after
 11 "committee" in the fifth sentence, taking into account
 12 the amendment made in paragraph (1) of this subsection,
 13 and striking out "such account," in such sentence and
 14 inserting in lieu thereof "the appropriate account
 15 described in this paragraph,".

16 (b) Section 308 (b) of the Act (2 U.S.C. 437b (b)) is
 17 amended--

18 (1) by inserting "or a candidate who has not
 19 designated a principal campaign committee as provided in
 20 section 302 (e) (1)" immediately after "committee" in
 21 the first sentence; and

22 (2) by striking out "it" in the first sentence and
 23 inserting in lieu thereof "such committee or
 24 candidate".

25 (c) Section 308 (c) of the Act (2 U.S.C. 437b (c)) is

1 amended by inserting "or by such candidate if he has not
2 designated a principal campaign committee as provided in
3 section 302 (e) (1)," immediately before "under" in the
4 first sentence.

ENFORCEMENT

5
6 Sec. 108. Section 313 (a) (5) (A) of the Act (2 U.S.C.
7 437g (a) (5) (A)) is amended--

8 (1) by striking out "30" and inserting in lieu
9 thereof "23";

10 (2) by striking out "section 304 (a) (1) (C)" in
11 clause (1) and inserting in lieu thereof "section 304
12 (a) (1) (A)"; and

13 (3) by striking out "10" in clause (ii) and
14 inserting in lieu thereof "12".

FEDERAL ELECTION COMMISSION

15
16 Sec. 109. Section 309 (f) of the Act (2 U.S.C. 437c (f))
17 is amended by adding at the end thereof the following new
18 paragraph:

19 "(4) Notwithstanding the provisions of paragraph (2),
20 the Commission is authorized to appear in and defend against
21 any action instituted under this Act, either by attorneys
22 employed in its office or by counsel whom it may appoint
23 without regard to the provisions of title 5, United States
24 Code, governing appointments in the competitive service, and
25 whose compensation it may fix without regard to the

1 provisions of chapter 51 and subchapter III of chapter 53 of
2 such title.".

3 ADVISORY OPINIONS

4 Sec. 110. Section 312 of the Act (2 U.S.C. 437f) is
5 amended by striking out "or the national committee of any
6 political party" and inserting in lieu thereof "", the
7 national committee of any political party, or any other
8 person subject to the provisions of this Act".

9 ADMINISTRATIVE AND JUDICIAL PROVISIONS

10 Sec. 111. (a) Section 315 (a) (4) of the Act (2 U.S.C.
11 438 (a) (4)) is amended by striking out the colon and the
12 proviso and inserting in lieu thereof a comma and "except
13 that any information copied from such report or statement
14 shall not be sold or utilized by any person for the purpose
15 of soliciting contributions or for any other commercial
16 purpose, but the names and addresses of any political
17 committee may be utilized for the purpose of soliciting
18 contributions from such committee;".

19 (b) Section 315 (a) of the Act (2 U.S.C. 438 (a)) is
20 amended by adding at the end thereof the following:

21 "The Commission shall determine the subject of its
22 audits under paragraph (8) (except those relating to payments
23 received by a candidate under chapter 95 or chapter 96 of the
24 Internal Revenue Code of 1954) by a random procedure in a
25 manner to be determined by the Commission. No candidate for

1 election or for nomination for election to the Senate or the
 2 House of Representatives shall be audited by the Commission
 3 more than once in any calendar year.

4 "Nothing in this subsection shall prohibit the
 5 Commission from conducting audits when it has received a
 6 complaint or where it has other information leading it to
 7 believe that such an audit is required."

8 (c) Section 315 (a) (10) of the Act (2 U.S.C. 438 (a)
 9 (10)) is amended by inserting at the end thereof the
 10 following: "In prescribing such rules and regulations, the
 11 Commission and the Internal Revenue Service shall consult and
 12 work together to promulgate rules and regulations which are
 13 mutually consistent. The Commission shall report to the
 14 Congress annually on the steps it has taken to comply with
 15 this paragraph."

16 (d) Section 315 (c) (2) of the Act (2 U.S.C. 438 (c) (2))
 17 is amended by striking out "30" and inserting in lieu
 18 thereof "20".

19 STATEMENTS FILED WITH STATE OFFICERS

20 Sec. 112. (a) Section 315 (a) of the Act (2 U.S.C. 439
 21 (a)) is amended--

22 (1) by striking out the first sentence and inserting
 23 in lieu thereof the following: "A copy of each statement
 24 and report required to be filed with the Commission by
 25 this Act shall be filed with the Secretary of State (or

1 the equivalent State officer), or if different, the
 2 officer of the government of each State who is charged by
 3 State law with maintaining State election campaign
 4 reports, to be designated by the Governor of that State.
 5 The Governor of each State shall notify the Commission of
 6 the official so designated.""; and

7 (2) by inserting "statements and" immediately
 8 before "reports" each place it appears in paragraphs
 9 (1) and (2).

10 (b) Section 316 (b) of the Act (2 U.S.C. 439 (b)) is
 11 amended--

12 (1) by striking out "secretary of State, or the
 13 equivalent State officer," and inserting in lieu thereof
 14 the following: "the Secretary of State (or equivalent
 15 State officer), or the officer designated";

16 (2) by striking out paragraph (2) and inserting in
 17 lieu thereof the following:

18 "(2) to preserve such reports and statements (either
 19 in the original filed form or in facsimile copy by
 20 microfilm or otherwise) for a period of seven years from
 21 the date of receipt for candidates for the Senate, for a
 22 period of five years from the date of receipt for
 23 candidates for President or Vice President, and for a
 24 period of three years from the date of receipt for
 25 candidates for the House of Representatives;"; and

1 (3) by striking out paragraph (4) and inserting in
2 lieu thereof the following:

3 "(4) to compile and maintain a current list of all
4 statements and reports, or parts thereof, pertaining to
5 each candidate."

6 (c) Section 316 of the Act (2 U.S.C. 439) is amended by
7 adding at the end thereof the following new subsection:

8 "(c) If a report filed with the State official as
9 provided in subsection (a) (2) relates to any candidate
10 seeking election in another State, the duty of such State
11 official under subsection (b) (2) to preserve such report
12 extends only to the portion of such report which relates to
13 candidates seeking election in the State of such State
14 official."

15 USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

16 Sec. 113. Section 317 of the Act (2 U.S.C. 439a) is
17 amended--

18 (1) by inserting "(a)" immediately before
19 "Amounts";

20 (2) by inserting immediately before the period in the
21 first sentence a comma and "including transfers without
22 limitation to any national, State, or local committee of
23 any political party, except that no such amounts may be
24 converted by any person to any personal use"; and

25 (3) by adding at the end thereof the following:

1 “(b) For purposes of this section, ‘personal use’ does
2 not include the reimbursement of expenses incurred by a
3 Federal officeholder in connection with his official
4 duties.”.

5 LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

6 Sec. 114. (a) Section 320 (a) of the Act (2 U.S.C. 441a
7 (a)) is amended--

8 (1) by striking out paragraph (1) (B) and inserting
9 in lieu thereof the following:

10 “(B) to the political committees established and
11 maintained by a national political party, in any
12 calendar year, which, in the aggregate, exceeds
13 \$20,000, except that if any Presidential or Vice
14 Presidential candidate designates the national
15 committee of a political party as his principal
16 campaign committee, the limitations in subparagraph
17 (A) shall apply with respect to contributions
18 received as such authorized committee, for
19 separate books of account shall be maintained.

20 (2) by striking out paragraph (2) (B) and ins
21 in lieu thereof the following:

22 “(B) to the political committees established and
23 maintained by a national political party, in any
24 calendar year, which, in the aggregate, exceed
25 \$15,000, except that if any Presidential or Vice

1 Presidential candidate designates the national
 2 committee of a political party as his principal
 3 campaign committee, the limitations in subparagraph
 4 (A) shall apply with respect to contributions
 5 received as such authorized committee, for which
 6 separate books of account shall be maintained; or'';

7 (3) by inserting ''which aggregate at least \$1,000
 8 each with respect to at least five such candidates'' in
 9 the second sentence of paragraph (4) immediately before
 10 the period; and

11 (4) by striking out ''No'' in paragraph (3) and
 12 inserting in lieu thereof ''Except as otherwise provided
 13 in section 317, no''.

14 (b) Section 320 (c) (1) of the Act (2 U.S.C. 441a (c)
 15 (1)) is amended by striking out ''subsection (b) and
 16 subsection (d)'' and inserting in lieu thereof ''subsections
 17 (b), (d), and (1) of this section and by subsection (f) of
 18 section 9004 of the Internal Revenue Code of 1954''.

19 (c) Section 320 (d) of the Act (2 U.S.C. 441a (d)) is
 20 amended--

21 (1) by striking out ''The'' in paragraph (3) and
 22 inserting in lieu thereof ''Except as otherwise provided
 23 in paragraph (4), the''; and

24 (2) by adding at the end thereof the following:

25 ''(4) Unless the national committee of a political party

1 which has nominated a candidate for President of the United
2 States designates a political committee as provided in
3 subsection (1) within two weeks after such candidate has been
4 nominated by such party or by September 1 of the calendar
5 year in which the election for President is held, whichever
6 is later, the State committee of a political party, including
7 any subordinate committee of a State committee, may make
8 expenditures in connection with the general election campaign
9 of such candidate which do not exceed the greater of \$20,000
10 or 2 cents multiplied by the voting age population of such
11 State (as certified under subsection (e)). No such State
12 committee or subordinate committee shall accept any transfer
13 from any other State committee or subordinate committee in
14 another State or from the national committee of such
15 political party for the purpose of making expenditures under
16 this paragraph."

17 (d) Section 327 of the Act (2 U.S.C. 441a) is amended by
18 adding at the end thereof the following:

19 "(1) (1) Any national committee of a political party
20 which has nominated a candidate for President of the United
21 States may designate one political committee in each State
22 which shall be authorized, notwithstanding any other
23 provision of this Act with respect to limitations on
24 expenditures, to accept contributions and to make
25 expenditures in connection with the general election campaign

1 of such candidate. Such expenditures shall not exceed the
 2 greater of \$20,000 or 2 cents multiplied by the voting age
 3 population of such State (as certified under subsection (e)).
 4 No contribution received by such committee pursuant to this
 5 subsection may be transferred to any political committee in
 6 another State.

7 “(2) If such national committee designates a political
 8 committee as provided in paragraph (1)--

9 “(A) the provisions of subsection (d) (4) shall not
 10 apply with respect to such national committee;

11 “(B) such national committee shall, upon making such
 12 designation, file a notice of such designation with the
 13 Commission and the appropriate State committee of the
 14 political party with whom such candidate is affiliated;
 15 and

16 “(C) the committee so designated shall file all
 17 reports required under this Act with such candidate's
 18 principal campaign committee.”.

19 CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS,
 20 CORPORATIONS, OR LABOR ORGANIZATIONS

21 Sec. 115. Section 321 (b) of the Act (2 U.S.C. 441b (b))
 22 is amended--

23 (1) by amending paragraph (4) (C) to read as follows:

24 “(C) This paragraph shall not prevent a membership
 25 organization, cooperative, or corporation without capital

1 stock, or a separate segregated fund established by a
2 membership organization, cooperative, or corporation
3 without capital stock, from soliciting contributions to
4 such a fund from members (including individuals who are
5 members of the member organizations which are themselves
6 members of such membership organization, cooperative, or
7 corporation without capital stock) of such organization,
8 cooperative, or corporation without capital stock.";

9 (2) by amending paragraph (4) (D) to read as follows:

10 "(D) This paragraph shall not prevent a trade
11 association or a separate segregated fund established by
12 a trade association from soliciting contributions from
13 the stockholders and executive or administrative
14 personnel of the member corporations of such trade
15 association and to the families of such stockholders or
16 personnel, except that the member corporation involved
17 shall have approved separately and specifically the
18 solicitation of--

19 "(i) its stockholders and their families by not
20 more than one trade association in any calendar year,
21 such approval to continue from year to year
22 thereafter unless or until revoked by the member
23 corporation, and

24 "(ii) its executive or administrative personnel
25 and their families by not more than one trade

1 (3) by adding at the end thereof the following:

2 "(r) 'personal expenditure' means an expenditure by
3 a candidate from his personal funds or the personal funds
4 of the spouse, child, parent, grandparent, brother, half-
5 brother, sister, or half-sister of such candidate, or the
6 spouses of such persons, including funds obtained by a
7 loan of money to such candidate, such persons, or the
8 spouses of such persons, or to any other person, if such
9 candidate, such persons, or the spouses of such persons
10 endorse or guarantee such loan in whole or in part."

11 APPROPRIATE STATE DEFINED

12 Sec. 119. Section 316 (a) of the Act (2 U.S.C. 439 (a))
13 is amended by inserting "or declaration" immediately after
14 "statement".

15 DECLARATION OF INTENDED PERSONAL EXPENDITURE

16 Sec. 119. Title III of the Act is amended by adding at
17 the end thereof the following new section:

18 "DECLARATION OF INTENDED PERSONAL EXPENDITURE

19 "Sec. 330. (a) (1) At least sixty days before the date
20 of any primary election held for the nomination of
21 individuals for election to Federal office (other than the
22 office of President or Vice President) or at least five days
23 after the date on which a candidate for nomination for
24 election to such office qualifies to have his name placed on
25 the ballot for such primary election, whichever is later,

1 each candidate who seeks the nomination for election to such
2 Federal office shall file with the Commission--

3 “(A) a declaration that he intends to make, in
4 connection with his campaign for nomination for election
5 to such office or any runoff election, personal
6 expenditures in excess of, in the aggregate, \$35,000, or

7 “(B) a declaration that he will not make personal
8 expenditures in connection with his campaign for
9 nomination for election to such Federal office or any
10 runoff election in excess of, in the aggregate, \$35,000.

11 “(2) Except as otherwise provided in paragraph (3), not
12 later than seven days after the date of any runoff election
13 held for the nomination for election of individuals to
14 Federal office (other than the office of President or Vice
15 President) or after the last candidate of a major party (as
16 defined in section 9302 of the Internal Revenue Code of 1954)
17 qualifies to have his name placed on the ballot for election
18 to such Federal office, whichever is later, each candidate
19 for election to such Federal office shall file with the
20 Commission--

21 “(A) a declaration that he intends to make, in
22 connection with his campaign for election to such office,
23 personal expenditures in excess of, in the aggregate,
24 \$35,000, or

25 “(B) a declaration that he will not make personal

1 expenditures in connection with his campaign for election
2 to such Federal office in excess of, in the aggregate,
3 \$35,000.

4 "(3) In the case of any candidate of a minor party (as
5 defined in section 9402 of the Internal Revenue Code of 1954)
6 who qualifies to have his name placed on the ballot for
7 election to Federal office after the runoff election or after
8 the last candidate of a major party so qualifies, the
9 declaration required to be filed as provided in paragraph (2)
10 shall be filed with the Commission at the time that the
11 candidate of such minor party so qualifies.

12 "(4) Any declaration filed with the Commission as
13 provided in this subsection may not be modified, amended, or
14 revoked.

15 "(h) (1) The Commission shall transmit by wire to each
16 candidate for nomination for election, or election, to
17 Federal office (other than the office of President or Vice
18 President) a statement of the greatest amount of intended
19 personal expenditures declared, as provided in subsection (a)
20 by any candidate for nomination for election, or election, to
21 such Federal office immediately after the last such candidate
22 qualifies to have his name placed on the ballot for election.

23 "(2) The Commission shall transmit by mail to each
24 candidate for nomination for election, or election, to
25 Federal office (other than the office of President or Vice

1 President) a copy of each declaration by any other candidate
 2 for nomination for election, or election, to such Federal
 3 office immediately after the last such candidate qualifies to
 4 have his name placed on the ballot for election.''.

5 TITLE II--AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

6 ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

7 Sec. 201. Section 9004 of the Internal Revenue Code of
 8 1954 (relating to entitlement of eligible candidates to
 9 payments) is amended by adding at the end thereof the
 10 following:

11 "(f) Legal and Accounting Costs.--In addition to any
 12 payments made under subsection (a), the eligible candidates
 13 of a political party shall be entitled to payments under
 14 section 9006 to defray qualified campaign expenses incurred
 15 by such eligible candidates or their authorized committees or
 16 to repay loans the proceeds of which were used to defray such
 17 qualified campaign expenses, or otherwise to restore funds
 18 (other than contributions to defray qualified campaign
 19 expenses received and expended by such candidates or such
 20 committees) used to defray such qualified campaign expenses,
 21 if such qualified campaign expenses represent legal and
 22 accounting costs incurred by such candidates for the purpose
 23 of insuring compliance with the provisions of this chapter or
 24 of the Federal Election Campaign Act of 1971, in an amount--
 25 "(1) equal to not more than \$500,000 in the case of

1 any eligible candidate of a major party in a Presidential
2 election;

3 "(2) which, in the case of any eligible candidate of
4 a minor party in a Presidential election, bears the same
5 ratio to the amount allowed under paragraph (1) for a
6 candidate of a major party as the amounts received by
7 such candidate of a minor party under subsections (a) (2)
8 and (a) (3) bear to the amount allowed to any candidate
9 of a major party under subsection (a) (1); or

10 "(3) which, in the case of any eligible candidate of
11 a new party in a Presidential election, bears the same
12 ratio to the amount allowed under paragraph (1) for any
13 candidate of a major party as the amount received by such
14 candidate of a new party under subsection (a) (3) bears
15 to the amount allowed to any candidate of a major party
16 under subsection (a) (1)."

17 REPORTS TO CONGRESS; REGULATIONS

18 Sec. 202. Section 9029 (c) (2) of the Internal Revenue
19 Code of 1954 (relating to review of regulations) is amended
20 by striking out "30" and inserting in lieu thereof "20".

21 CRIMINAL PENALTIES

22 Sec. 203. Section 9012 of the Internal Revenue Code of
23 1954 (relating to criminal penalties) is amended--

24 (1) by striking out subsection (f); and

25 (2) by redesignating subsection (g) as subsection

1 (f).

2 REPORTS TO CONGRESS; REGULATIONS

3 Sec. 204. Section 9039 (c) (2) of the Internal Revenue
4 Code of 1954 (relating to review of regulations) is amended
5 by striking out ``30`` and inserting in lieu thereof ``20``.

6 TECHNICAL AMENDMENTS

7 Sec. 205. (a) Section 527 (f) (3) of the Internal Revenue
8 Code of 1954 (relating to certain separate segregated funds)
9 is amended by striking out ``section 610 of title 18`` and
10 inserting in lieu thereof ``section 321 of the Federal
11 Election Campaign Act of 1971``.

12 (b) Section 9011 (b) of the Internal Revenue Code of 1954
13 (relating to suits to implement chapter) is amended by
14 striking out ``contrue`` and inserting in lieu thereof
15 ``construe``.

16 (c) Section 9002 (11) of such Code (relating to
17 definition of qualified campaign expense) is amended by
18 striking out ``to further`` each place it appears and
19 inserting in lieu thereof in each instance ``in connection
20 with``.

21 EXAMINATIONS AND AUDITS; REPAYMENTS

22 Sec. 206. Section 9007 (d) of the Internal Revenue Code
23 of 1954 (relating to deposit of repayments) is amended by
24 striking out ``general fund of the Treasury`` and inserting
25 in lieu thereof ``Presidential Election Campaign Fund``.

1 TITLE III--MISCELLANEOUS

2 Sec. 301. Section 603 of title 18, United States Code, is
3 amended--

4 (1) by striking out "whoever" and inserting in lieu
5 thereof "(a) Except as otherwise provided in subsection
6 (b), whoever"; and

7 (2) by adding at the end thereof the following:

8 "(b) Subsection (a) shall not apply to the receipt of
9 any contribution of moneys or other thing of value for any
10 political purpose by two assistants to a Senator of the
11 United States, at least one of whom is in Washington,
12 District of Columbia, who have been designated by that
13 Senator to receive, solicit, be the custodian of, or
14 distribute any funds in connection with any campaign for the
15 nomination for election, or election, of any individual to be
16 a Member of the Senate or to any other Federal office and who
17 are compensated at an annual rate in excess of \$10,000, if
18 such designation has been made in writing and filed with the
19 Secretary of the Senate and if each such assistant files a
20 financial statement in the form provided under rule XLII of
21 the Standing Rules of the United States Senate for each year
22 during which he is designated as provided in this subsection,
23 but the provisions of subsection (a) prohibiting the
24 solicitation in any room or building occupied in the
25 discharge of official duties by any person mentioned in

1 section 602 of this title, or in any navy yard, fort or
 2 arsenal of any contribution of moneys or other thing of value
 3 for any political purpose, shall apply to such assistants.

4 "(c) Subsection (a) shall not apply to any contribution
 5 received in the mail and promptly transferred to any account
 6 in a campaign depository designated pursuant to section 308
 7 of the Federal Election Campaign Act of 1971."

8 VOTING SYSTEM STUDY

9 Sec. 302. The Federal Election Commission, with the
 10 cooperation and assistance of the National Bureau of
 11 Standards, shall conduct a preliminary study with respect to
 12 the future development of voluntary engineering and
 13 procedural performance standards for voting systems used in
 14 the United States. The Commission shall report to the
 15 Congress the results of the study, and such report shall
 16 include recommendations, if any, for the implementation of a
 17 program of such standards (including estimates of the costs
 18 and time requirements of implementing such a program).

19 VOTING RIGHTS ACT OF 1965 AMENDMENTS

20 Sec. 303. (a) Section 14 (c) of the Voting Rights Act of
 21 1965 is amended by striking paragraph (3) and inserting the
 22 following new paragraph in lieu thereof:

23 "(3) The term 'language minorities' or 'language
 24 minority group' means persons who are American Indian, Asian
 25 American, Alaskan Natives, or of Spanish heritage, and whose

1 dominant language is other than English.''.

2 (b) Section 203 of the Voting Rights Act of 1965 is
3 amended by striking subsection (e) and inserting the
4 following new subsection in lieu thereof:

5 '(e) For purposes of this section, the term 'language
6 minorities' or 'language minority group' means persons who
7 are American Indian, Asian American, Alaskan Natives, or of
8 Spanish heritage, and whose dominant language is other than
9 English.''.
10

SUMMARY OF COMMITTEE WORKING DRAFT—FECA AMENDMENTS

[*FEC legislative recommendation]

FECA section amended	Summary of amendment	S. 926, 95th Cong.	Comment
<p>Sec. 301 (2 U.S.C. 431)—Definitions: (e)(4)—contribution exclusion; (f)(4)(J)—expenditure exclusion. Contribution exclusion: (e)(5)(B)—residential expenses, (e)(5)(C)—vendor expenses; (e)(5)(D)—volunteer travel expenses; (e)(5)(I)—limitation. Expenditure exclusion: (f)(4)(D)—residential expenses; (f)(4)(E)—volunteer travel expenses. Contribution exclusion: (e)(5); expenditure exclusion: (f)(4).</p>	<p>1. The present exemption granted to legal and accounting services contributed to the national committee of a political party is extended to all political party committees. (Technical amendment only.) The present exclusion of certain residential, vendor, and volunteer travel expenses from the definition of contribution or expenditure is increased from \$500 to \$1,000 and is applicable to political party activities as well as candidate activity. The \$1,000 exclusion applies separately to candidate and political party activities.</p>	<p>Sec. 101(a)—contributions; sec. 101(c)(3)—expenditures. Sec. 101(b)(1)(2), and (3) contributions; sec. 101(c)(1) and (2) expenditures.</p>	<p>Extension of this exemption to all political party committees enhance parties' ability to secure legal and accounting assistance. In S. 926, a floor amendment by Senator Bellmon increased exclusion from \$500 to \$1,000; and a floor amendment by Senator Thurmond clarified that \$1,000 exclusion applied separately to activity on behalf of a candidate and a political party.</p>
<p>Contribution exclusion: (e)(5); expenditure exclusion: (f)(4).</p>	<p>2. Funds contributed to a candidate for delegate or delegate for a State or national political convention or unreimbursed payments for travel and subsistence expenses made by a delegate or candidate for delegate, or payment of expenses incurred by a State or local political party in sponsoring a party meeting, caucus, or convention held for the purpose of selecting delegates to a national nominating convention shall not be a contribution or an expenditure.</p>	<p>Sec. 101 (b)(4) and (b)(5)(J)—contributions; sec. 101 (c)(4)(M)—expenditures.</p>	<p>New exclusion from definition of "contribution" and "expenditure" to simplify reporting for delegates to party conventions.</p>
<p>Contribution exclusion: (e)(5); expenditure exclusion: (f)(4).</p>	<p>*4. A contribution or an expenditure shall not include the payment by a State or local committee of a political party of the costs of certain campaign materials used in connection with volunteer activities on behalf of a candidate (such as pins, bumper stickers, handbills, posters, and yard signs, but not including the use of broadcasting, newspapers, or other similar types of general public political advertising) if such payments are made only with funds not earmarked for a particular candidate.</p>	<p>Sec. 101 (b)(5)(K) contributions; sec. 101 (c)(4)(N) expenditures.</p>	<p>New exclusion from definition of "contribution" and "expenditure" to promote greater party participation in and identification with its candidates' campaigns.</p>
<p>Contribution exclusion: (e)(5); expenditure exclusion: (f)(4).</p>	<p>*5. The value of listing or mentioning the name of any Presidential candidate in any Federal or non-Federal candidate's campaign material shall not be a contribution where the purpose of such listing or mentioning is to promote the candidacy of such Federal or non-Federal candidate, and is initiated by such Federal or non-Federal candidate. A Presidential candidate is intended to include the Vice Presidential candidate for purposes of this exemption. Thus, a Vice Presidential candidate is not intended to be a Federal candidate eligible to utilize this exemption.</p>	<p>Sec. 101 (b)(5)(L) contributions; sec. 101 (c)(4)(O) expenditures.</p>	<p>New exclusion from definition of "contribution" and "expenditure" to promote greater identification of local and state candidates with their party's presidential candidate.</p>
<p>Sec. 301 (2 U.S.C. 431)—Contribution exclusion: (e)(5); expenditure exclusion: (f)(4).</p>	<p>6. The value of transportation furnished by a "person" (i.e., individual, group, corporation, union, etc.) to a candidate is exempted from the definition of "contribution" or "expenditure" unless it involves a candidate's own campaign event, or unless it is travel to the candidate's own home State after the candidate qualifies as a candidate under the provisions of that State's laws, or after Jan. 1 of the year in which that seat is up, whichever is earlier, and ending on election day of that year.</p>	<p>Sec. 101(b)(5)(M)—contributions; sec. 101(c)(4)(P)—expenditures.</p>	<p>Floor amendment by Senator Dole to S. 926.</p>

SUMMARY OF COMMITTEE WORKING DRAFT—FECA AMENDMENTS—Continued
 [*FEC legislative recommendation]

FECA section amended	Summary legislative recommendation	S. 926, 95th Cong.	Comment
(o)—Def. of "Act"	7. After listing the 1974 and 1976 Amendments to the Federal Election Campaign Act of 1971, the language "and as amended thereafter," would follow when referring to the "Act."	Sec. 101(d)	Technical amendment.
Contribution: (e)(2); expenditure: (f)(2)	*8. The present requirement that candidates and committees report all written pledges is removed, although they would be required to keep written pledge cards and other similar written instruments.	Not in S. 926	Avoids duplicate reporting.
Sec. 302 (2 U.S.C. 432)—Organization of political committees:			
(a)	1. Only when there is a vacancy in the office of treasurer (rather than chairman of treasurer) would a committee be prohibited from making expenditures or receiving contributions.	Sec. 102(a)	Requirement of having both in office to receive contributions and make expenditures is unduly burdensome; interferes with campaigns.
(e)(1)	*2. An option would be provided so that candidates would not have to designate a principal campaign committee if they certify to the Commission that they will not authorize any political committee to receive contributions or make expenditures on their behalf.	Sec. 102(b)(1)	Eases reporting burden on smaller campaigns and fringe candidates.
(e)(2)	*3. Only "authorized" committee must file with a candidate's principal campaign committee.	Sec. 102(b)(2)	Technical amendment.
(e)	*4. Each principal campaign committee of a candidate would have to contain in the name of the committee the name of such candidate.	Sec. 102(b)(3)	Identifies publicly the campaign committee with name of its candidate.
Sec. 303 (2 U.S.C. 433)—Registration of political committees:			
(a)	*1. The last sentence in subparagraph (a) is no longer needed and should be stricken.	Not included in S. 926	Technical amendment.
(b)	*2. Certain nonpertinent information which now must be contained in a statement of organization would no longer be required.	Sec. 103(a)	Simplifies reporting for committees without reducing meaningful disclosure.
(c)	*3. Multicandidate committees need not amend their registration statements when supporting additional candidates as this information is reflected in contribution and expenditure reports.	Sec. 103(b)	This requirement has been excessively burdensome for PAC's and duplicates information filed on other reports.
(e)	*4. An authorized committee which is not a principal campaign committee must file only with the authorizing candidate's principal campaign committee.	Sec. 103(c)	Technical amendment.
Sec. 304 (2 U.S.C. 434)—Reports:			
(a)	*1. Reduction in the number of reports filed by candidates and committees: Candidates for Senate and House would have to file only 9 reports over a 2-yr period rather than the 24 now required. Presidential candidates, qualified multicandidate committees and national party committees would file approximately the same number; but other nonparty committees, independent expenditure filers, and state and local party committees would have to file only 9 reports over a 2-yr period rather than the 12-24 now required.	Sec. 104(a)	Reporting requirements of candidates and committees would be substantially reduced while maintaining full and adequate disclosure.

SUMMARY OF COMMITTEE WORKING DRAFT—FECA AMENDMENTS—Continued

[*FEC legislative recommendation]

FECA section amended	Summary of amendment	S. 926, 95th Cong.	Comment
Sec. 315 (2 U.S.C. 438)—Administrative and judicial provisions—Continued			
(a)-----	2. Requires the FEC to conduct random audits of all filers.	Sec. 109(b)-----	Floor amendment by Senator Schmitt to S. 926.
(b)-----	3. Requires the FEC and the IRS to consult and work together to promulgate rules and regulations which are mutually consistent.	Sec. 109(c)-----	Floor amendment by Senator McClure to S. 926.
(c)-----	4. Shortens congressional review period of FEC regulations from 30 to 20 legislative days (*FEC recommends 15 days).	Sec. 109(d)-----	Shortens time of regulatory enactment period while providing Congress an adequate period to review FEC proposed regulation.
Sec. 316 (2 U.S.C. 439)—Statements filed with State officers:			
(a)-----	*1. Copies of reports could be filed with the State official designated by the Governor of that State where the State does not have a secretary of State, or where the secretary of State does not handle campaign finance information.	Sec. 109(a)-----	Clarifies what State official must keep federal campaign finance information.
(b)-----	*2. Changes retention period for records filed with the State so that House reports would be kept for 3 years, Presidential reports for 5 years, and Senate reports for 7 years, in lieu of present 5 and 10 year requirements. (The FEC would still be required to preserve its reports for the 5- and 10-year periods now required.) States would be allowed to preserve reports on microfilm.	Sec. 110(b)-----	The present requirements for the States are excessive. This amendment would reduce costs incurred by the States.
New subsection-----	3. State official would only have to preserve reports relating to candidates for Federal office in that State.	Sec. 110(c)-----	Reduces filing of extraneous information.
Sec. 317 (2 U.S.C. 439a)—Use of contributed amounts for certain purposes:			
(a)-----	*1. Permits excess campaign funds to be transferred without limit to a political party committee, provided that no such funds are converted to anyone's personal use.	Sec. 111 (1) and (2)-----	Reflects the position of the Senate in S. Res. 110 (95th Cong.) and contained in rule 46 of the standing rules of the Senate.
(b)-----	2. Reimbursement to a Federal officeholder in connection with official duties excluded from definition of "personal use."	Sec. 111(3)-----	Follows present Senate policy.
Sec. 320 (2 U.S.C. 441a)—Limitations on contributions and expenditures:			
(a)(1)(B) and (a)(2)(B)-----	*1. This section would clarify that if a national committee of a political party is designated as the principal campaign committee for a Presidential or Vice Presidential candidate, the contribution limits pertaining to that candidate would be applicable to those contributions and the committee would have to maintain separate books for such contributions received as the authorized committee of a Presidential candidate.	Sec. 112(a) (1) and (2)-----	Under present law, if a Presidential nominee designates the national party committee as his principal campaign committee, then the national committee is prohibited from accepting contributions in excess of \$1,000 for individuals and \$5,000 from PACs. In effect, a national committee is prevented from becoming the principal campaign committee of its Presidential candidate.

<p>(a)(4)-----</p>	<p>*2. This section would require a political committee to have made contributions to 5 or more candidates for Federal office which aggregate at least \$1,000 each in order to qualify as a multicandidate committee.</p>	<p>Sec. 112(a)(3)-----</p>	<p>Under present law, a committee which meets the other qualifications could make a \$5 contribution to 4 candidates and \$1,000 to a 5th and qualify for the \$5,000 limit available to "multicandidate committees" although the committees may be in essence contributing to only 1 candidate. Clarifying amendment.</p>
<p>(a)(3)-----</p>	<p>3. This section would exclude transfers allowed by the amendment to sec. 317 (which permits a candidate to transfer excess campaign funds to a national political party without limit) from the overall individual contribution limit of \$25,000.</p>	<p>Sec. 112(a)(4)-----</p>	<p>Clarifying amendment.</p>
<p>(c)(1)-----</p>	<p>4. Amends this section to reflect changes in the act brought on by other amendments.</p>	<p>Sec. 112(b)-----</p>	<p>Technical amendment.</p>
<p>(d)-----</p>	<p>*5. This section would permit State committees of a political party, including any subordinate committee of a State committee, to make expenditures in connection with a general election campaign of a Presidential candidate of that party up to the greater of \$20,000 or 2 cent multiplied by the voting age population of that State, unless the national committee of that political party designates within a specific time period another committee to raise and spend such funds in that State as authorized in the next section of the bill.</p>	<p>Sec. 112(c)-----</p>	<p>This section would remedy an apparent oversight in existing law and permit limited expenditures to support the general election campaign of a Presidential candidate at the State level.</p>
<p>(i)-----New subsection.</p>	<p>6. This section would give the national committee of a political party an option to designate a specific committee authorized to conduct this activity with notice to the State committee. If the national committee of the political party exercises this right and designates a committee other than a party committee, such designated committee shall be treated as an authorized committee of that candidate for all purposes, with a specific right to accept contributions for the general election campaign of the Presidential candidate.</p>	<p>Sec. 112(d)-----</p>	<p>Floor amendment by Senator Cannon to S. 926 to clarify extent of national political party designation.</p>
<p>Sec. 321 (2 U.S.C. 441b)---Contributions or expenditures by national bank corporations or labor organization: (b)(4)(C)-----</p>	<p>1. This section would permit a separate segregated fund established by a membership organization, cooperative, or corporation without capital stock to solicit individuals who are members of such membership organizations which are themselves members of such membership organization, cooperative, or corporation without capital stock.</p>	<p>Sec. 113(1)-----</p>	<p>Clarifying amendment.</p>
<p>(b)(4)(D)-----</p>	<p>2. This section would give a corporation the right of approving solicitation by a trade association of its unincorporated division.</p>	<p>Sec. 113(2)-----</p>	<p>Under existing law, a corporation's incorporated subsidiary could approve solicitation under the act by a trade association, but not its unincorporated divisions. Under existing law, a separate authorization must be obtained each year.</p>
<p>(b)(4)(D)-----</p>	<p>3. This section would also permit the approval of solicitations by a trade association to remain in effect until revoked by the member corporation or division, rather than require new approvals each year.</p>	<p>Sec. 113(2)-----</p>	<p>Under existing law, a separate authorization must be obtained each year.</p>
<p>(b)(4)(D)-----</p>	<p>*4. This provision would require separate separate are that aggregated fund established by a corporation, labor organization, membership organization, cooperative or corporation without capital stock contain the name of the sponsor or organization.</p>	<p>Sec. 113(3)-----</p>	<p>Many names of separate segregated funds do not contain the name of the sponsoring organization. Candidates, committees, the press, and the public thus have difficulty in finding the source of a PAC contribution if it comes from "The Good Government Committee."</p>

[*FEC legislative recommendation]

FECA section amended	Summary of amendment	S. 926, 95th Cong.	Comment
Sec. 406 (2 U.S.C. 455)—Period of limitations.	This section would repeal the 3-year statute of limitations on election campaign violations so that the 5-year statute of limitations would be applicable. The section would apply to violations occurring after the date which is 3 years before the date of enactment of this act.	Sec. 114.	Floor amendment by Senator Brooke to S. 926. Senator Dole's bill, S. 704, in 96th Cong. would lengthen statute of limitations to 4 years.
Sec. 330 (new section)—Declaration of intended personal expenditure: (a).....	1. This provision would require that a House or Senate candidate file with the Commission at least 60 days before the primary, or within 5 days after qualifying for nomination, a statement whether he or she intends to make personal expenditures in excess of \$35,000. A similar statement is required not later than 7 days after the runoff, or after the last candidate of a major party qualifies, whichever is later. A minor party candidate who qualifies to have his or her name placed on the ballot after the runoff, or after the last candidate of a major party, so qualifies, shall file with the Commission at the time such minor candidate qualifies. None of the above statements may be modified, amended or revoked, but there are no penalties for exceeding the amount set forth in the statements.	Sec. 118.	Floor amendment by Senator Johnston to S. 926. [Secs. 115 and 116 of S. 926, which follow this section, were added to the bill as a result of the adoption of this section by the Senate.]
(b).....	This provision would require the Commission to transmit by wire to each candidate a statement of the greatest amount of intended expenditures declared by a candidate for that seat, immediately after the last candidate qualifies, and to transmit by mail to each candidate a copy of each declaration by any other candidate immediately after that candidate qualifies.	Sec. 118.	Same as above.
Sec. 301 (2 U.S.C. 431)—Definitions: (r)—New subsection.	The definition of "personal expenditure" was added to include not only the candidate's personal funds, but also the personal funds of the spouse, child, parent, grandparent, brother, half-brother, sister, or half-sister of such candidate, or the spouses or such persons. Also included are funds obtained by a loan or money to the candidate, the above named family members or their spouses, or to any other person if the candidate, family members or their spouses endorse or guarantee such loans in whole or in part.	Sec. 115.	This definition was added in conformity with Senator Johnston's amendment (sec. 118 of S. 926) concerning declaration of intended personal expenditure.
Sec. 316 (2 U.S.C. 439)—Statements filed with State officers.	This provision would require that declarations, such as declarations of intended personal expenditures, must be filed along with other statements with the Secretary of State in the candidate's State.	Sec. 116.	Same as above.

<p>Title II—Amendments to the Internal Revenue Code of 1954—Title 26 U.S.C. Sec. 9004—Entitlement of eligible candidates to payments: (f)—New subsection.</p>	<p>*1. This section would provide a grant of \$500,000 from the Presidential Election Campaign Fund to Presidential candidates in the general election to defray legal and accounting costs of complying with the law.</p>	<p>Sec. 201</p>	<p>Under present law, Presidential candidates may receive contributions from individuals to defray these costs. With the grant of public funds, such contributions would be prohibited.</p>
<p>Secs. 9009 and 9039—Reports to Congress: Regulations: (c)(2).</p>	<p>2. These sections would change the congressional review of FEC regulations from 30 to 20 legislative days with respect to the Presidential primary and general election provisions. *(FEC recommends 15 days.)</p>	<p>Secs. 202 and 204</p>	<p>Shortens time of regulatory enactment period while providing Congress an adequate period to review FEC proposed regulations.</p>
<p>26 U.S.C. 9012—Criminal penalties (f)</p>	<p>3. This section would strike sec. 9012(f) of title 26, which pertains to unauthorized expenditures and contributions.</p>	<p>Sec. 203</p>	<p>This provision is considered unconstitutional in view of <i>Buckley v. Valeo</i> and unenforced by the FEC.</p>
<p>26 U.S.C. 527(f)(3)—re certain separate segregated funds.</p>	<p>4. Strike "section 610 of title 18 and insert in lieu thereof "Section 321 of the Federal Election Campaign Act of 1971."</p>	<p>Sec. 205(a)</p>	<p>Technical amendment.</p>
<p>26 U.S.C. 9011(b)—re suits to implement chapter.</p>	<p>5. Correct misspelling of "construe".</p>	<p>Sec. 205(b)</p>	<p>Technical amendment.</p>
<p>26 U.S.C. 9007—Deposit of repayments: (d).</p>	<p>*6. This section would provide that all repayments of excess public funds from eligible candidates in the Presidential general election, and from the parties with respect to convention expenses, shall be redeposited in the Presidential Election Campaign Fund rather than the general treasury.</p>	<p>Sec. 206</p>	<p>Floor amendment by Senator Cannon to S. 926.</p>
<p>Title III—Miscellaneous: Sec. 603 of title 18—Crimes and criminal procedures: Prohibition of the solicitation or receipt of contributions in a Federal building.</p>	<p>1. This section would permit a Senator's 2 assistants designated pursuant to Senate rule XLIX to handle campaign funds, to also receive these funds in a Federal building. Solicitation in a Federal building would remain prohibited by sec. 603. In addition, contributions received in the mail and promptly deposited in a designated campaign depository would not be in violation of the Federal building proscription.</p>	<p>Sec. 301</p>	<p>Conforms Federal law to Senate rule. Floor amendment by Senator Heinz to S. 926 prohibits solicitation of contributions in a Federal building.</p>
<p>Sec. 14(c) of Voting Rights Act of 1965.</p>	<p>2. This section would authorize the Commission to conduct a preliminary study with the National Bureau of Standards with respect to the future development of voluntary engineering and performance standards for voting machines.</p>	<p>Sec. 302</p>	<p>Floor amendment by Senator Cannon and Hatfield to S. 926.</p>
<p></p>	<p>3. Act by limiting the requirement that the ballots be printed in both English and in the languages of the minority group to precincts in which at least 5 pct of the voters comprise a single language minority whose dominant language is other than English.</p>	<p>Sec. 304</p>	<p>Floor amendment by Senator Bellmon to S. 926.</p>

[The committee discussion draft No. 2, and a summary thereof, are as follows:]

129610.165

DISCUSSION DRAFT #2
July 23, 1979

96th CONGRESS
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. _____

Introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Federal Election Campaign Act of 1971, and for other purposes.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled.

3 Section 1. This Act may be cited as the "Federal
4 Election Campaign Act Amendments of 1979".

5 TITLE I--AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971
6 CHANGES IN DEFINITIONS

7 Sec. 101. (a) Section 301 (e) of the Federal Election
8 Campaign Act of 1971 (2 U.S.C. 431 (e)) (hereafter in this
9 Act referred to as the "Act"), is amended--

1 (1) by striking out in paragraph (4) "the national"
2 and inserting in lieu thereof "any political"; and

3 (2) by repealing paragraph (2).

4 (b) Section 301 (e) (5) of the Act (2 U.S.C. 431 (e) (5))
5 is amended--

6 (1) by amending subparagraph (B) to read as follows:

7 "(B) the use of real or personal property and
8 the cost of invitations, food, and beverages,
9 voluntarily provided by an individual to a candidate
10 or a political committee of a political party in
11 rendering voluntary personal services on the
12 individual's residential premises for candidate-
13 related or political party-related activities, to the
14 extent that the cumulative value of such activities
15 by such individual on behalf of any candidate does
16 not exceed \$1,000, and on behalf of any political
17 committee of a political party does not exceed \$2,000
18 per calendar year;"

19 (2) by amending subparagraph (C) to read as follows:

20 "(C) the sale of any food or beverage by a
21 vendor for use in a candidate's campaign or for use
22 by a political committee of a political party at a
23 charge less than the normal comparable charge, if
24 such charge for use in a candidate's campaign or for
25 use by a political committee of a political party is

1 at least equal to the cost of such food or beverage
2 to the vendor, to the extent that the cumulative
3 value of such activities by such vendor on behalf of
4 any candidate does not exceed \$1,000, and on behalf
5 of any political committee of a political party does
6 not exceed \$2,000 per calendar year;'';

7 (3) by amending subparagraph (D) to read as follows:

8 ''(D) any unreimbursed payment for travel
9 expenses made by an individual who on his own behalf
10 volunteers his personal services to a candidate or a
11 political committee of a political party, to the
12 extent that the cumulative amount for such individual
13 incurred with respect to such candidate does not
14 exceed \$1,000, and with respect to such political
15 committee of a political party does not exceed \$2,000
16 per calendar year;'';

17 (4) by striking out ``or'' at the end of subparagraph
18 (H); and

19 (5) by striking out all after the semicolon in
20 subparagraph (I) and adding the following:

21 ''(J) the unreimbursed payment by a delegate, or
22 a candidate for delegate, to a convention or caucus
23 of a political party for costs incurred, including
24 travel and subsistence expenses, in connection with
25 the activities of such individual as a delegate or as

1 a candidate for delegate;

2 ``(K) funds given by a political committee of a
3 political party to a delegate, or a candidate for
4 delegate, to a convention or caucus of a political
5 party, for costs incurred by such individual in
6 connection with the activities of such individual,
7 including travel and subsistence expenses, as a
8 delegate or as a candidate for delegate;

9 ``(L) the payment of costs incurred by a State or
10 local political party in sponsoring any party
11 meeting, caucus, or convention held to select
12 delegates to a national nominating convention of a
13 political party;

14 ``(M) the payment by a State or local committee
15 of a political party of the costs of campaign
16 materials used in connection with volunteer
17 activities on behalf of a candidate (such as pins,
18 bumper stickers, handbills, pamphlets, posters, and
19 yard signs, but not including the use of
20 broadcasting, newspapers, magazines, billboards,
21 direct mail, or other similar types of general public
22 political advertising) if such payments are made only
23 with funds not designated for a particular candidate;
24 or

25 ``(N) the payment by a political party for

1 activity designed to encourage individuals to
2 register to vote, or to vote; except that any such
3 payment shall be reported in accordance with section
4 304 (b).''.

5 (c) Section 301 (f) (4) of the Act (2 U.S.C. 431 (f) (4))
6 is amended--

7 (1) by amending subparagraph (D) to read as follows:

8 ``(D) the use of real or personal property and
9 the cost of invitations, food, and beverages,
10 voluntarily provided by an individual to a candidate
11 or a political committee of a political party in
12 rendering voluntary personal services on the
13 individual's residential premises for a candidate-
14 related or political party-related activity, to the
15 extent that the cumulative value of such activity by
16 such individual on behalf of any candidate does not
17 exceed \$1,000, and on behalf of any political
18 committee of a political party does not exceed \$2,000
19 per calendar year;'';

20 (2) by amending subparagraph (E) to read as follows:

21 ``(E) any unreimbursed payment for travel
22 expenses made by an individual who, on his own
23 behalf, volunteers his personal services to a
24 candidate or a political committee of a political
25 party, to the extent that the cumulative amount for

1 such individual incurred with respect to such
2 candidate does not exceed \$1,000, and with respect to
3 such political committee of a political party does
4 not exceed \$2,000 per calendar year;'';

5 (3) by striking out in subparagraph (J) ''the
6 national'' and inserting in lieu thereof ''any
7 political'' and by striking out ''or'' immediately after
8 the semicolon in such subparagraph;

9 (4) by adding after subparagraph (K) the following:

10 ''(L) the unreimbursed payment by a delegate, or
11 a candidate for delegate, to a convention or caucus
12 of a political party for costs incurred, including
13 travel and subsistence expenses, in connection with
14 the activities of such individual as a delegate or as
15 a candidate for delegate;

16 ''(M) any payment made by a political committee
17 of a political party to a delegate, or a candidate
18 for delegate, to a convention or caucus of a
19 political party, for costs incurred by such
20 individual in connection with the activities,
21 including travel and subsistence expenses, as a
22 delegate or as a candidate for delegate;

23 ''(N) any payment made by a State or local
24 political party for costs incurred by the State or
25 local political party in sponsoring any party

1 meeting, caucus, or convention held to select
2 delegates to a national nominating convention of a
3 political party;

4 `` (O) the payment by a State or local committee
5 of a political party of the costs of campaign
6 materials used in connection with volunteer
7 activities on behalf of a candidate (such as pins,
8 bumper stickers, handbills, pamphlets, posters, and
9 yard signs, but not including the use of
10 broadcasting, newspapers, magazines, billboards,
11 direct mail, or other similar types of general public
12 political advertising) if such payments are made only
13 with funds not earmarked for a particular candidate,
14 but such costs shall be reported in accordance with
15 the requirements of section 304 (b); or

16 `` (P) the payment by a political party for
17 activity designed to encourage individuals to
18 register to vote, or to vote; except that any such
19 payment shall be reported in accordance with section
20 304 (b).''.

21 (d) Section 301 (c) of the Act (2 U.S.C. 431 (c)) is
22 amended to read as follows:

23 `` (o) 'Act' means the Federal Election Campaign Act of
24 1971 as amended;''.

25 (e) Section 301 of the Act (2 U.S.C. 431) is amended--

1 (1) by striking out ``and`` at the end of subsection
2 (p);

3 (2) by striking out the period at the end of
4 subsection (q) and inserting ``; and``; and

5 (3) by adding at the end thereof the following new
6 subsection:

7 `` (r) 'authorized committee' means the principal campaign
8 committee or any other political committee designated by a
9 candidate to receive contributions or make expenditures on
10 behalf of such candidate.``.

11 (f) Section 301 (f) (1) of the Act (2 U.S.C. 431 (f) (1))
12 is amended by inserting after subparagraph (B) the following:
13 ``and for purposes of this subsection a cancelled check shall
14 be sufficient evidence that an expense was incurred;``.

15 (g) Section 301 (d) of the Act (2 U.S.C. 431 (d)) is
16 amended by inserting before the semicolon the following: ``;
17 except that any State or local committee of a political
18 party, which committee does not receive contributions in any
19 calendar year aggregating more than \$5,000, shall not be
20 included under this subsection``.

21 ORGANIZATION OF POLITICAL COMMITTEES

22 Sec. 102. (a) Section 302 (a) of the Act (2 U.S.C. 432
23 (a)) is amended--

24 (1) by striking out ``chairman or`` in the second
25 sentence; and

1 (2) by striking out "chairman or treasurer, or their
2 designated agents" in the third sentence and inserting
3 in lieu thereof "treasurer, or his designated agent".

4 (b) Section 302 (e) of the Act (2 U.S.C. 432 (e)) is
5 amended--

6 (1) by inserting before the period in the first
7 sentence in paragraph (1) "or notify the Commission that
8 such individual will not authorize any political
9 committee to receive contributions or make expenditures
10 on his behalf";

11 (2) by striking out "a" immediately before
12 "political committee" in paragraph (2) and inserting in
13 lieu thereof "an authorized"; and

14 (3) by adding at the end thereof the following:

15 "(4) The name of each principal campaign committee
16 of a candidate shall include the name of such candidate,
17 but only the principal campaign committee or authorized
18 committee of a candidate may use the candidate's name in
19 its title.

20 ? (5) A candidate shall not be liable for the debts
21 of his principal campaign committee."

22 REGISTRATION OF POLITICAL COMMITTEES

23 Sec. 103. (a) Section 303 (a) of the Act (2 U.S.C. 433
24 (a)) is amended by striking out the last sentence thereof.

25 (b) Section 303 (b) of the Act (2 U.S.C. 433 (b)) is

1 amended--

2 (1) by striking out paragraph (3) and redesignating
3 paragraphs (4), (5), and (6) as paragraphs (3), (4), and
4 (5), respectively;

5 (2) by striking out paragraphs (7) and (8) and
6 redesignating paragraph (9) as paragraph (6);

7 (3) by adding ``and'' at the end of paragraph (6), as
8 redesignated in paragraph (2); and

9 (4) by striking out paragraph (10) and redesignating
10 paragraph (11) as paragraph (7).

11 (c) Section 303 (c) of the Act (2 U.S.C. 433 (c)) is
12 amended by inserting immediately before the period a comma
13 and ``except that any change in the information required by
14 subsection (b) (5) need not be reported by a multicandidate
15 committee, as defined in section 320 (a) (4)''.

16 (d) Section 303 (e) of the Act (2 U.S.C. 433 (e)) is
17 amended by striking out ``a'' immediately before ``political
18 committee'' and inserting in lieu thereof ``an authorized''.

19 REPORTS

20 Sec. 104. (a) Section 304 (a) of the Act (2 U.S.C. 434
21 (a)) is amended to read as follows:

22 ``(a) (1) Except as otherwise provided in paragraph (2),
23 each treasurer of a political committee registered with the
24 Commission as provided in section 303 and each candidate for
25 election to such office who has not designated a principal

1 campaign committee as provided in section 302 (e) (1) shall
2 file with the Commission reports of receipts and expenditures
3 on forms to be prescribed or approved by such Commission.

4 "The reports referred to in the preceding sentence shall
5 be filed as follows:

6 "(A) In any calendar year in which an individual is a
7 candidate for Federal office and an election for such Federal
8 office is held in such year--

9 "(i) each political committee authorized by a
10 Presidential candidate to accept contributions or make
11 expenditures on his behalf and which operates in more
12 than one State, each multicandidate political committee
13 or political committee authorized by a Presidential
14 candidate to accept contributions or make expenditures on
15 his behalf with respect to which the Commission has
16 approved a request filed as provided in paragraph (3),
17 and each Presidential candidate who has not designated a
18 principal campaign committee as provided in section 302
19 (e) (1) shall file such reports monthly, as required by
20 the Commission, except that in lieu of filing the report
21 otherwise due in November of such year, a report shall be
22 filed not later than the twelfth day before the date on
23 which such election is held and shall be complete as of
24 the twentieth day before the date of such election;

25 "(ii) in any other case, such reports shall be filed

1 not later than the twelfth day before the date on which
2 such election is held and such reports shall be complete
3 as of the twentieth day before the date of any such
4 election, and, in addition thereto, such reports shall be
5 filed not later than the tenth day following the close of
6 each calendar quarter (hereinafter referred to as
7 'quarterly reports'), such reports to be complete as of
8 the close of such calendar quarter, except that if any
9 report which must be filed prior to any such election is
10 due during the period beginning on the fifth day
11 following the close of any calendar quarter and ending on
12 the fifteenth such day, the quarterly report otherwise
13 due need not be filed;

14 "(iii) in addition to the reports required to be
15 filed as provided in clauses (i) and (ii), such reports
16 shall be filed after December 1 of such calendar year,
17 but not later than January 31 of the following calendar
18 year, and shall be complete as of the close of the
19 calendar year with respect to which such reports are
20 filed; but

21 "(iv) the requirement for the filing of any
22 quarterly report as provided in clause (ii) shall be
23 waived if the candidate or political committee files with
24 the Commission a notification, on a form prescribed or
25 approved by the Commissioner, not later than the tenth day

1 following the close of the calendar quarter involved,
2 stating that the aggregate amount of contributions
3 received or expenditures made by such candidate or
4 political committee during such calendar quarter did not,
5 taken together, exceed \$1,000.

6 ``(B) In any other calendar year in which an individual
7 is a candidate for Federal office, such reports shall be
8 filed--

9 ``(i) monthly, as required by the Commission, in the
10 case of a multicandidate political committee or political
11 committee authorized by a Presidential candidate to
12 accept contributions or make expenditures on his behalf
13 with respect to which the Commission has approved a
14 request filed as provided in paragraph (3); and

15 ``(ii) in any other case, not later than July 10 of
16 such calendar year and shall be complete as of June 30,
17 and after December 31 of such calendar year, but not
18 later than January 31 of the following calendar year, and
19 shall be complete as of the close of the calendar year
20 with respect to which the report is filed; but

21 ``(iii) the requirement for the filing of the July 10
22 report by a candidate or his authorized committees as
23 provided in clause (ii) shall be waived if such candidate
24 or committees file with the Commission a notification, on
25 a form prescribed or approved by the Commission, not

1 later than the 10th day of July, stating that the
2 aggregate amount of contributions received or
3 expenditures made by such candidate or committees during
4 the reporting period did not, taken together, exceed
5 \$5,000; and

6 (iv) the requirement for the filing of the July 10
7 report by a political committee which is not the
8 authorized committee of a candidate as provided in clause
9 (ii) shall be waived if such committee files with the
10 Commission a notification, on a form prescribed by the
11 Commission, not later than the 10th of July, stating that
12 the aggregate amount of contributions received or
13 expenditures made by such political committee during the
14 reporting period did not, taken together, exceed \$1,000.
15 Any contribution of \$1,000 or more made by a political
16 committee after the fifteenth day, but more than forty-eight
17 hours, before any election shall be reported within forty-
18 eight hours after such contribution is made.

19 (2) Each treasurer of a political committee authorized
20 by a candidate to accept contributions or make expenditures
21 on his behalf, other than the candidate's principal campaign
22 committee, and each candidate who designates a principal
23 campaign committee as provided in section 302 (e) (1) shall
24 file the reports required by this section with the
25 candidate's principal campaign committee.

1 “(3) Upon request by any multicandidate political
2 committee or any political committee authorized by a
3 Presidential candidate to accept contributions or make
4 expenditures on his behalf, the Commission may permit such
5 committee to file monthly reports in any calendar year
6 instead of the reports specified in paragraphs (1) (A) (i)
7 and (1) (B) (ii).

8 “(4) Nothing in this subsection shall be construed to
9 require any delegate or candidate for delegate to any State
10 or national caucus or convention of a political party who is
11 not the treasurer of a political committee or a candidate for
12 election to Federal office to report to the Commission any
13 gift of anything of value or any payment for travel and
14 subsistence expenses incurred in connection with such caucus
15 or convention to the extent that such gift or payment is not a
16 contribution or expenditure under section 301.”.

17 (b) Section 304 (b) of the Act (2 U.S.C. 434 (b)) is
18 amended by striking out “\$100” in paragraphs (2), (7), (9),
19 and (10) each place it appears and inserting in lieu thereof
20 “\$200”.

21 (c) Section 304 (e) of the Act (2 U.S.C. 434 (e)) is
22 amended by striking out paragraphs (1) and (2) and inserting
23 in lieu thereof the following:

24 “(1) Every person (other than a political committee
25 or candidate) who makes independent expenditures

1 expressly advocating the election or defeat of a clearly
2 identified candidate, other than by contribution to a
3 political committee or candidate, in an aggregate amount
4 in excess of \$250 during a calendar year shall file with
5 the Commission, on a form prepared by the Commission, a
6 statement containing the information required with
7 respect to a person who makes a contribution in excess of
8 \$200 to a candidate or a political committee and the
9 information required of a candidate or political
10 committee receiving such a contribution.

11 (2) Statements required by this subsection shall be
12 filed on the date specified in subsection (a) (1) (A)
13 (ii) or (a) (1) (B) (ii), whichever is appropriate. Such
14 statements shall include (A) the information required by
15 subsection (b) (9), stated in a manner indicating whether
16 the independent expenditure is in support of, or
17 opposition to, the candidate; (B) under penalty of
18 perjury, a certification whether such independent
19 expenditure is made in cooperation, consultation, or
20 concert with, or at the request or suggestion of, any
21 candidate or any authorized committee or agent of such
22 candidate; and (C) an identification of each person who
23 has made a contribution of more than \$200 to the person
24 filing such statement, which was made for the purpose of
25 furthering an independent expenditure. Any independent

1 expenditure, including those described in subsection (b)
 2 (13), of \$1,000 or more made after the twentieth day, but
 3 more than twenty-four hours, before any election shall be
 4 reported within twenty-four hours after such independent
 5 expenditure is made.''

6 (d) Section 304 (b) (12) of the Act (2 U.S.C. 434 (b)
 7 (12)) is amended by inserting '', and in accordance with
 8 section 306 (c),' after ''may prescribe''.

9 REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

10 Sec. 105. Section 305 (b) of the Act (2 U.S.C. 435 (b))
 11 is amended by striking out the material in quotation marks
 12 and inserting in lieu thereof the following: ''A copy of our
 13 report is filed with and is available for purchase from the
 14 Federal Election Commission, Washington, D.C.''

15 FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

16 Sec. 106. (a) Section 306 (c) of the Act (2 U.S.C. 436
 17 (c)) is amended to read as follows:

18 ''(c) Debts and Pledges.--The Commission shall provide by
 19 regulation for an exemption from the reporting requirements
 20 of this Act for ~~contributions and~~ expenditures in the nature
 21 of debts and other contracts, agreements, and promises to
 22 make contributions or expenditures. In determining aggregate
 23 amounts of contributions and expenditures, amounts exempted
 24 under such regulations shall not be considered until actual
 25 payment is made.''

1 (b) Section 306 (d) of the Act (2 U.S.C. 436 (d)) is
 2 amended by striking out ``304 (a) (1) (A) (ii), 304 (a) (1)
 3 (B), 304 (a) (1) (C),'' and inserting in lieu thereof ``304
 4 (a) (1),''.

5 CAMPAIGN DEPOSITORIES

6 Sec. 107. (a) Section 308 (a) (1) of the Act (2 U.S.C.
 7 437b (a) (1)) is amended--

8 (1) by inserting immediately after the second
 9 sentence the following: ``Any candidate who has not
 10 designated a principal campaign committee as provided in
 11 section 302 (e) (1) shall maintain a single checking
 12 account and such other accounts as the candidate
 13 determines to maintain at his discretion at a depository
 14 designated by him and shall deposit any contributions
 15 received by such candidate into such account.'';

16 (2) by inserting ``or, in the case of a candidate who
 17 has not designated a principal campaign committee as
 18 provided in section 302 (e) (1), in the account
 19 maintained by such candidate'' immediately before the
 20 period in the fourth sentence, taking into account the
 21 amendment made in paragraph (1) of this subsection; and

22 (3) by inserting ``or candidate'' immediately after
 23 ``committee'' in the fifth sentence, taking into account
 24 the amendment made in paragraph (1) of this subsection,
 25 and striking cut ``such account,'' in such sentence and

1 inserting in lieu thereof "the appropriate account
2 described in this paragraph,".

3 (b) Section 308 (b) of the Act (2 U.S.C. 437b (b)) is
4 amended--

5 (1) by inserting "or a candidate who has not
6 designated a principal campaign committee as provided in
7 section 302 (e) (1)" immediately after "committee" in
8 the first sentence; and

9 (2) by striking out "it" in the first sentence and
10 inserting in lieu thereof "such committee or
11 candidate".

12 (c) Section 308 (c) of the Act (2 U.S.C. 437b (c)) is
13 amended by inserting "or by such candidate if he has not
14 designated a principal campaign committee as provided in
15 section 302 (e) (1)," immediately before "under" in the
16 first sentence.

17 ENFORCEMENT

18 Sec. 108. Section 313 (a) (5) (A) of the Act (2 U.S.C.
19 437g (a) (5) (A)) is amended--

20 (1) by striking out "30" and inserting in lieu
21 thereof "20";

22 (2) by striking out "section 304 (a) (1) (C)" in
23 clause (i) and inserting in lieu thereof "section 304
24 (a) (1) (A)"; and

25 (3) by striking out "10" in clause (ii) and

1 inserting in lieu thereof ``12``.

2 FEDERAL ELECTION COMMISSION

3 Sec. 109. Section 309 (f) of the Act (2 U.S.C. 437c (f))
4 is amended by adding at the end thereof the following new
5 paragraph:

6 ``(4) Notwithstanding the provisions of paragraph (2),
7 the Commission is authorized to appear in and defend against
8 any action instituted under this Act, either by attorneys
9 employed in its office or by counsel whom it may appoint
10 without regard to the provisions of title 5, United States
11 Code, governing appointments in the competitive service, and
12 whose compensation it may fix without regard to the
13 provisions of chapter 51 and subchapter III of chapter 53 of
14 such title.'`.

15 ADVISORY OPINIONS

16 Sec. 110. Section 312 of the Act (2 U.S.C. 437f) is
17 amended by striking out ``or the national committee of any
18 political party`` and inserting in lieu thereof ``the
19 national committee of any political party, or any other
20 person subject to the provisions of this Act``.

21 ADMINISTRATIVE AND JUDICIAL PROVISIONS

22 Sec. 111. (a) Section 315 (a) (4) of the Act (2 U.S.C.
23 438 (a) (4)) is amended by striking out the colon and the
24 proviso and inserting in lieu thereof a comma and ``except
25 that any information copied from such report or statement

1 shall not be sold or utilized by any person for the purpose
2 of soliciting contributions or for any other commercial
3 purpose, but the name and address of any political committee
4 may be utilized for the purpose of soliciting contributions
5 from such committee;''.

6 (b) Section 315 (a) of the Act (2 U.S.C. 438 (a)) is
7 amended by adding at the end thereof the following:

8 ''The Commission shall determine the subject of its
9 audits under paragraph (8) (except those relating to payments
10 received by a candidate under chapter 95 or chapter 96 of the
11 Internal Revenue Code of 1954) by a random procedure in a
12 manner to be determined by the Commission. No candidate for
13 election or for nomination for election to the Senate or the
14 House of Representatives shall be audited on a random basis
15 by the Commission more than once in any election cycle.

16 ''Nothing in this subsection shall prohibit the
17 Commission from conducting audits when it has received a
18 complaint or where it has other information leading it to
19 believe that such an audit is required.''.
20

21 (c) Section 315 (a) (10) of the Act (2 U.S.C. 438 (a)
22 (10)) is amended by inserting at the end thereof the
23 following: ''In prescribing such rules and regulations, the
24 Commission and the Internal Revenue Service shall consult and
25 work together to promulgate rules and regulations which are
mutually consistent. The Commission shall report to the

1 Congress annually on the steps it has taken to comply with
2 this paragraph.".

3 (d) Section 315 (c) (4) of the Act (2 U.S.C. 438 (c) (4))
4 is amended to read as follows:

5 "(4) For purposes of this subsection, the term
6 'legislative day' means, with respect to statements
7 transmitted to the Senate, any calendar day on which the
8 Senate is in session, and with respect to statements
9 transmitted to the House of Representatives, any calendar day
10 on which the House of Representatives is in session.".

11 (e) Section 315 (a) (6) of the Act (2 U.S.C. 438 (a) (6))
12 is amended by striking out "which shall be published in the
13 Federal Register at regular intervals and".

14 STATEMENTS FILED WITH STATE OFFICERS

15 Sec. 112. (a) Section 316 (a) of the Act (2 U.S.C. 439
16 (a)) is amended--

17 (1) by striking out the first sentence and inserting
18 in lieu thereof the following: "A copy of each statement
19 and report required to be filed with the Commission by
20 this Act shall be filed with the Secretary of State (or
21 the equivalent State officer), or if different, the
22 officer of the government of each State who is charged by
23 State law with maintaining State election campaign
24 reports, to be designated by the Governor of that State.
25 The Governor of each State shall notify the Commission of

1 the official so designated.'';

2 (2) by inserting ''statements and'' immediately
3 before ''reports'' each place it appears in paragraphs
4 (1) and (2); and

5 (3) by inserting before the period at the end of
6 paragraph (2) the following: ''; except that with
7 respect to a multicandidate political committee such term
8 shall only include the State in which such committee is
9 headquartered''.

10 (b) Section 316 (b) of the Act (2 U.S.C. 439 (b)) is
11 amended--

12 (1) by striking out ''Secretary of State, or the
13 equivalent State officer,'' and inserting in lieu thereof
14 the following: ''the Secretary of State (or equivalent
15 State officer), or the officer designated'';

16 (2) by striking out paragraph (2) and inserting in
17 lieu thereof the following:

18 ''(2) to preserve such reports and statements (either
19 in the original filed form or in facsimile copy by
20 microfilm or otherwise) for a period of seven years from
21 the date of receipt for candidates for the Senate, for a
22 period of five years from the date of receipt for
23 candidates for President or Vice President, and for a
24 period of three years from the date of receipt for
25 candidates for the House of Representatives;''; and

1 (3) by striking out paragraph (4) and inserting in
2 lieu thereof the following:

3 "(4) to compile and maintain a current list of all
4 statements and reports, or parts thereof, pertaining to
5 each candidate."

6 USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES
7 Sec. 113. Section 317 of the Act (2 U.S.C. 439a) is
8 amended--

9 (1) by inserting "(a)" immediately before
10 "Amounts";

11 (2) by inserting immediately before the period in the
12 first sentence a comma and "including transfers without
13 limitation to any national, State, or local committee of
14 any political party, except that no such amounts may be
15 converted by any person to any personal use"; and

16 (3) by adding at the end thereof the following:

17 "(b) For purposes of this section, 'personal use' does
18 not include the reimbursement of expenses incurred by a
19 Federal officeholder in connection with his official
20 duties."

21 LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

22 Sec. 114. (a) Section 320 (a) of the Act (2 U.S.C. 441a
23 (a)) is amended--

24 (1) by striking out paragraph (1) (B) and inserting
25 in lieu thereof the following:

1 “(B) to the political committees established and
2 maintained by a national political party, in any
3 calendar year, which, in the aggregate, exceeds
4 \$20,000, except that if any Presidential or Vice
5 Presidential candidate designates the national
6 committee of a political party as his principal
7 campaign committee, the limitations in subparagraph
8 (A) shall apply with respect to contributions
9 received as such authorized committee, for which
10 separate books of account shall be maintained; or”;
11 (2) by striking out paragraph (2) (B) and inserting
12 in lieu thereof the following:

13 “(B) to the political committees established and
14 maintained by a national political party, in any
15 calendar year, which, in the aggregate, exceed
16 \$15,000, except that if any Presidential or Vice
17 Presidential candidate designates the national
18 committee of a political party as his principal
19 campaign committee, the limitations in subparagraph
20 (A) shall apply with respect to contributions
21 received as such authorized committee, for which
22 separate books of account shall be maintained; or”;
23 (3) by inserting “which aggregate at least \$250 each
24 with respect to at least five such candidates” in the
25 second sentence of paragraph (4) immediately before the

1 period; and

2 (4) by striking out "No" in paragraph (3) and
3 inserting in lieu thereof "Except as otherwise provided
4 in section 317, no".

5 (b) Section 320 (c) (1) of the Act (2 U.S.C. 441a (c)
6 (1)) is amended by striking out "subsection (b) and
7 subsection (d)" and inserting in lieu thereof "subsections
8 (b), (d), and (i) of this section and by subsection (f) of
9 section 9004 of the Internal Revenue Code of 1954".

10 (c) Section 320 (d) of the Act (2 U.S.C. 441a (d)) is
11 amended--

12 (1) by striking out "The" in paragraph (3) and
13 inserting in lieu thereof "Except as otherwise provided
14 in paragraph (4), the"; and

15 (2) by adding at the end thereof the following:

16 "(4) Unless the national committee of a political party
17 which has nominated a candidate for President of the United
18 States designates a political committee as provided in
19 subsection (1) within two weeks after such candidate has been
20 nominated by such party or by September 1 of the calendar
21 year in which the election for President is held, whichever
22 is later, the State committee of a political party, including
23 any subordinate committee of a State committee, may make
24 expenditures in connection with the general election campaign
25 of such candidate which do not exceed the greater of \$20,000

1 or 2 cents multiplied by the voting age population of such
2 State (as certified under subsection (e)). No such State
3 committee or subordinate committee shall accept any transfer
4 from any other State committee or subordinate committee in
5 another State or from the national committee of such
6 political party for the purpose of making expenditures under
7 this paragraph.".

8 (d) Section 320 of the Act (2 U.S.C. 441a) is amended by
9 adding at the end thereof the following:

10 "(1) (1) Any national committee of a political party
11 which has nominated a candidate for President of the United
12 States may designate one political committee in each State
13 which shall be authorized, notwithstanding any other
14 provision of this Act with respect to limitations on
15 expenditures, to accept contributions and to make
16 expenditures in connection with the general election campaign
17 of such candidate. Such expenditures shall not exceed the
18 greater of \$20,000 or 2 cents multiplied by the voting age
19 population of such State (as certified under subsection (e)).
20 No contribution received by such committee pursuant to this
21 subsection may be transferred to any political committee in
22 another State.

23 "(2) If such national committee designates a political
24 committee as provided in paragraph (1)--

25 "(A) the provisions of subsection (d) (4) shall not

1 apply with respect to such national committee;

2 "(B) such national committee shall, upon making such
3 designation, file a notice of such designation with the
4 Commission and the appropriate State committee of the
5 political party with whom such candidate is affiliated;
6 and

7 "(C) the committee so designated shall file all
8 reports required under this Act with such candidate's
9 principal campaign committee."

10 CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS,
11 CORPORATIONS, OR LABOR ORGANIZATIONS

12 Sec. 115. Section 321 (b) of the Act (2 U.S.C. 441b (b))
13 is amended--

14 (1) by amending paragraph (4) (C) to read as follows:

15 "(C) This paragraph shall not prevent a membership
16 organization, cooperative, or corporation without capital
17 stock, or a separate segregated fund established by a
18 membership organization, cooperative, or corporation
19 without capital stock, from soliciting contributions to
20 such a fund from members (including individuals who are
21 members of the member organizations which are themselves
22 members of such membership organization, cooperative, or
23 corporation without capital stock) of such organization,
24 cooperative, or corporation without capital stock."

25 (2) by amending paragraph (4) (D) to read as follows:

1 “(D) This paragraph shall not prevent a trade
2 association or a separate segregated fund established by
3 a trade association from soliciting contributions from
4 the stockholders and executive or administrative
5 personnel of the member corporations of such trade
6 association and from the families of such stockholders or
7 personnel, except that the member corporation involved
8 shall have approved separately and specifically the
9 solicitation of--

10 “(i) its stockholders and their families by not
11 more than one trade association in any calendar year,
12 such approval to continue from year to year
13 thereafter unless or until revoked by the member
14 corporation, and

15 “(ii) its executive or administrative personnel
16 and their families by not more than one trade
17 association per division (whether incorporated or
18 unincorporated) in any calendar year, such approval
19 to continue from year to year thereafter unless or
20 until revoked by the member corporation.”;

21 (3) by adding before the period at the end of
22 paragraph (7) the following: “, and includes, in the
23 case of a corporation incorporated under a State
24 nonprofit corporation Act, directors and trustees of such
25 corporation”; and

1 (4) by adding at the end thereof the following:

2 ``(8) The name of any separate segregated fund
3 established pursuant to this section shall include the
4 name of the corporation, labor organization, membership
5 organization, cooperative, or corporation without capital
6 stock which established such fund.''.
7

8 STATUTE OF LIMITATIONS

9 Sec. 116. (a) Section 406 of the Federal Election
10 Campaign Act of 1971 (2 U.S.C. 455) is repealed.

11 (b) The repeal made by subsection (a) applies with
12 respect to the prosecution of violations occurring after the
13 date which is three years before the date of enactment of
14 this Act.

15 ACCEPTANCE OF EXCESSIVE HONORARIUMS

16 Sec. 117. Section 328 (a) of the Act (2 U.S.C. 4411 (a))
17 is amended by inserting `` , or while a candidate for Federal
18 office,`` after ``Federal Government''.

19 TITLE II--AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

20 ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

21 Sec. 201. Section 9004 of the Internal Revenue Code of
22 1954 (relating to entitlement of eligible candidates to
23 payments) is amended by adding at the end thereof the
24 following:

25 ``(f) Legal and Accounting Costs.--In addition to any
payments made under subsection (a), the eligible candidates

1 of a political party shall be entitled to payments under
2 section 9006 to defray qualified campaign expenses incurred
3 by such eligible candidates or their authorized committees or
4 to repay loans the proceeds of which were used to defray such
5 qualified campaign expenses, or otherwise to restore funds
6 (other than contributions to defray qualified campaign
7 expenses received and expended by such candidates or such
8 committees) used to defray such qualified campaign expenses,
9 if such qualified campaign expenses represent legal and
10 accounting costs incurred by such candidates for the purpose
11 of insuring compliance with the provisions of this chapter or
12 of the Federal Election Campaign Act of 1971, in an amount--

13 “(1) equal to not more than \$500,000 in the case of
14 any eligible candidate of a major party in a Presidential
15 election;

16 “(2) which, in the case of any eligible candidate of
17 a minor party in a Presidential election, bears the same
18 ratio to the amount allowed under paragraph (1) for a
19 candidate of a major party as the amounts received by
20 such candidate of a minor party under subsections (a) (2)
21 and (a) (3) bear to the amount allowed to any candidate
22 of a major party under subsection (a) (1); or

23 “(3) which, in the case of any eligible candidate of
24 a new party in a Presidential election, bears the same
25 ratio to the amount allowed under paragraph (1) for any

1 candidate of a major party as the amount received by such
 2 candidate of a new party under subsection (a) (3) bears
 3 to the amount allowed to any candidate of a major party
 4 under subsection (a) (1).''.

5 REPORTS TO CONGRESS; REGULATIONS

6 Sec. 202. Sections 9009 (c) (3) and 9039 (c) (3) of the
 7 Internal Revenue Code of 1954 (relating to review of
 8 regulations) are each amended to read as follows:

9 ``(3) For purposes of this subsection, the term
 10 'legislative day' means, with respect to statements
 11 transmitted to the Senate, any calendar day on which the
 12 Senate is in session, and with respect to statements
 13 transmitted to the House of Representatives, any calendar day
 14 on which the House of Representatives is in session.''

15 CRIMINAL PENALTIES

16 Sec. 203. Section 9012 of the Internal Revenue Code of
 17 1954 (relating to criminal penalties) is amended--

18 (1) by striking out subsection (f); and
 19 (2) by redesignating subsection (g) as subsection
 20 (f).

21 TECHNICAL AMENDMENTS

22 Sec. 204. (a) Section 527 (f) (3) of the Internal Revenue
 23 Code of 1954 (relating to certain separate segregated funds)
 24 is amended by striking out ''section 610 of title 18'' and
 25 inserting in lieu thereof ''section 321 of the Federal

1 Election Campaign Act of 1971''.

2 (b) Section 9011 (b) of the Internal Revenue Code of 1954
3 (relating to suits to implement chapter) is amended by
4 striking out ``contrue'' and inserting in lieu thereof
5 ``construe''.

6 (c) Section 9002 (11) of such Code (relating to
7 definition of qualified campaign expense) is amended by
8 striking out ``to further'' each place it appears and
9 inserting in lieu thereof in each instance ``in connection
10 with''.

11 (d) Section 9032 (8) of such Code (relating to definition
12 of political committee) is amended by striking out ``person''
13 and inserting ``individual''.

14 EXAMINATIONS AND AUDITS; REPAYMENTS

15 Sec. 205. Section 9007 (d) of the Internal Revenue Code
16 of 1954 (relating to deposit of repayments) is amended by
17 striking out ``general fund of the Treasury'' and inserting
18 in lieu thereof ``Presidential Election Campaign Fund''.

19 QUALIFIED CAMPAIGN EXPENSE

20 Sec. 206. Sections 9002 (11) and 9032 (9) of the Internal
21 Revenue Code of 1954 (relating to definition of qualified
22 campaign expense) are each amended by adding at the end
23 thereof the following: ``A cancelled check shall be
24 sufficient evidence that an expense was incurred.''.
25

TITLE III--MISCELLANEOUS

1 Sec. 301. Section 603 of title 18, United States Code, is
2 amended--

3 (1) by striking out "Whoever" and inserting in lieu
4 thereof "(a) Except as otherwise provided in subsection
5 (b), whoever"; and

6 (2) by adding at the end thereof the following:

7 "(b) Subsection (a) shall not apply to the receipt of
8 any contribution of moneys or other thing of value for any
9 political purpose by two assistants to a Senator of the
10 United States, at least one of whom is in Washington,
11 District of Columbia, who have been designated by that
12 Senator to receive, solicit, be the custodian of, or
13 distribute any funds in connection with any campaign for the
14 nomination for election, or election, of any individual to be
15 a Member of the Senate or to any other Federal office and who
16 are compensated at an annual rate in excess of \$10,000, if
17 such designation has been made in writing and filed with the
18 Secretary of the Senate and if each such assistant files a
19 financial statement in the form provided under rule XLII of
20 the Standing Rules of the United States Senate for each year
21 during which he is designated as provided in this subsection,
22 but the provisions of subsection (a) prohibiting the
23 solicitation in any room or building occupied in the
24 discharge of official duties by any person mentioned in
25 section 602 of this title, or in any navy yard, fort or

1 arsenal of any contribution of moneys or other thing of value
2 for any political purpose, shall apply to such assistants.

3 “(c) Subsection (a) shall not apply to any contribution
4 received in the mail and promptly transferred to any account
5 in a campaign depository designated pursuant to section 308
6 of the Federal Election Campaign Act of 1971.”.

7 VOTING SYSTEM STUDY

8 Sec. 302. The Federal Election Commission, with the
9 cooperation and assistance of the National Bureau of
10 Standards, shall conduct a preliminary study with respect to
11 the future development of voluntary engineering and
12 procedural performance standards for voting systems used in
13 the United States. The Commission shall report to the
14 Congress the results of the study, and such report shall
15 include recommendations, if any, for the implementation of a
16 program of such standards (including estimates of the costs
17 and time requirements of implementing such a program).

SUMMARY OF COMMITTEE WORKING DRAFT NO. 2—FECA AMENDMENTS

Section of draft No. 2	FECA section amended	Summary of amendment	S. 926, 95th Congress	FEC recommendation	Comment
Sec. 101:	Sec. 301 (2 U.S.C. 431):				
(d)	(d)	A State or local political party which does not receive contributions of more than \$5,000 in any calendar year shall not trigger the FEC reporting requirements.	No	No	Would allow small political party committees to spend money on behalf of Federal candidates without having to register with FEC.
(a)(2)	(e)(2)	Removes requirement that contribution pledges have to be filed with the FEC.	No	Yes	Eliminates duplicate reporting of contribution when pledged, then when made.
(a)(1) and (c)(3)	(e)(4) and (f)(4)	The present exemption granted to legal and accounting services contributed to the national committee of a political party is extended to all political party committees.	Yes	No	Extension of this exemption to all political party committees enhances parties' ability to secure legal and accounting assistance.
(b)(1)-(3) and (c)(1) and (2)	(e)(5) and (f)(4)	The present exclusion of certain residential, vendor and volunteer travel expenses from definition of "contribution" and "expenditure" is increased from \$500 to \$1,000 on behalf of each candidate per election and \$2,000 on behalf of a political party committee per calendar year.	Yes (except no comment on increase in exclusion)	Yes (except no comment on increase in exclusion)	Increase volunteer activity whereby individual can participate in political activities without triggering reporting requirements.
(b)(5)(J) and (c)(4)(L)	(e)(5) and (f)(4)	Allows delegate related expenses paid for by the delegate or delegate-candidate to be excluded from reporting.	Yes	Yes	Simplifies reporting for delegates.
(b)(5)(K) and (c)(4)(M)	(e)(5) and (f)(4)	Allows party contributions to delegate or delegate-candidate for delegate-related expenses to be unreported.	S. 926 allowed contributions from and person to be excluded.	Yes	Removes party payments to delegates from reporting. (But others who contribute to delegate would not be excluded.)
(b)(5)(L) and (c)(4)(N)	(e)(5) and (f)(4)	Allows party sponsorship of caucus to select delegates to be made without triggering reporting requirements.	Yes	Yes	Traditional party activity—little reason to be reported.
(b)(5)(M) and (c)(4)(O)	(e)(5) and (f)(4)	A contribution or an expenditure shall not include the payment by a State or local committee of a political party of the costs of certain campaign materials used in connection with volunteer activities on behalf of a candidate (such as pins, bumper stickers, handbills, posters, and yard signs, but not including the use of broadcasting, newspapers, or other similar types of general public political advertising) if such payments are made only with funds not earmarked for a particular candidate.	Yes	Yes	New exclusion to promote volunteer activities associated with party support oitls candidates.
(b)(5)(N) and (c)(4)(P)	(e)(5) and (f)(4)	A political party payment to encourage individuals to vote or register is excluded from the definitions of "contribution" or "expenditure," but must be reported.	No	No	Allows parties to engage in traditional activities without being contributions to candidates.
(d)	(o)	Instead of mentioning each set of amendments to the FECA of 1971, the language will state "and as amended thereafter".	Yes (but applied only to amendments after 1976).	No	Technical amendment.
(e)	(r) new subsection.	Adds definition of "authorized committee" to include a candidate's principal campaign committee and any other committee designated by the candidate to receive contributions or make expenditures on his behalf.	No	No	Do.

SUMMARY OF COMMITTEE WORKING DRAFT NO. 2—FECA AMENDMENTS—Continued

Section of draft No. 2	FECA section amended	Summary of amendment	S. 926, 95th Congress	FEC recommendation	Comment
Sec. 102:	Sec. 302 (2 U.S.C. 432):	Only when there is a vacancy in the office of treasurer (rather than chairman or treasurer) would a committee be prohibited from making expenditures or receiving contributions.	Yes	No	Requirement of having both in office to receive contributions and make expenditures is unduly burdensome; interferes with campaigns.
(a)	(a)				
(b)	(e)(1)	An option would be provided so that candidates would not have to designate a principal campaign committee if they certify to the Commission that they will not authorize any political committee to receive contributions or make expenditures on their behalf.	Yes	Yes	Eases reporting burden on smaller campaigns and fringe candidates.
(c)	(e)(2)	Only "authorized" committee must file with a candidate's principal campaign committee.	Yes	Yes	Technical amendment.
(d)	(e)	Each principal campaign committee of a candidate must contain in its name the candidate's name and only a candidate's authorized committees may use the candidate's name in their title.	Yes (except 2d part of the amendment)	Yes (except 2d part of the amendment)	Identifies publicly the campaign committee with name of its candidate.
Sec. 101(f)	Sec. 301(f)(1)	A cancelled check shall be sufficient evidence of a qualified campaign expense.	No	No	Clears up problems of FEC requiring receipt bill for verification of such expenses.
Sec. 103:	Sec. 303 (2 U.S.C. 433):	The last sentence in subparagraph (a) is no longer needed and should be stricken.	No	Yes	Technical amendment.
(a)	(a)				
(b)	(b)	Certain nonpertinent information which now must be contained in a statement of organization would no longer be required.	Yes	Yes	Simplifies reporting for committees without reducing meaningful disclosure.
(c)	(c)	Multi-candidate committees need not amend their registration statements when supporting additional candidates as this information is reflected in contribution and expenditure reports.	Yes	Yes	This requirement has been excessively burdensome for PAC's and duplicates information filed on other reports.
(d)	(e)	An authorized committee which is not a principal campaign committee must file only with the authorizing candidate's principal campaign committee.	Yes	Yes	Technical amendment.
Sec. 104:	Sec. 304 (2 U.S.C. 434):	Reduction in the number of reports filed by candidates and committees; candidates for Senate and House would have to file only 8 reports over a 2-year period rather than the 24 now required. Presidential candidates would file 14 instead of 16; and multi-candidate committees would file 10-24 rather than 12-24.	Yes	Yes	Reporting requirements of candidates and committees would be substantially reduced while maintaining full and adequate disclosure.
(a)	(a)				
(c)(1)(B)(iv)	(a)	The requirement that any contribution of \$1,000 or more received after the 15th day but more than 48 hours before election, be reported within 48 hours, is eliminated. Instead political committees must report within 48 hours any contribution of \$1,000 or more made to a candidate in the 15 days preceding election.	No	Yes	Transferring this duty to donor committee would expedite disclosure of large contributions prior to election.

(a)-----	Conforms reporting requirements to exclusions from definition of "contribution" and "expenditure" in Sec. 101 of bill.	Yes-----	No-----	Technical amendment.
(b)-----	The threshold above which detailed contribution and expenditure information would have to be reported to the Commission would be raised from \$100 to \$200. The information would be reported in the aggregate and the more detailed information now required to be kept with respect to contributions in excess of \$50 would still have to be maintained by candidates and committees for audit and enforcement purposes.	Yes-----	No-----	This provision would alleviate the reporting burden on candidates and committees and reduce substantially the information that is required to be stored and processed by the Commission, without significantly reducing public disclosure of campaign activities.
(d)-----	(b)(12)----- This provision relating to reporting of debts and obligations is amended to refer to sec. 436(c), which also covers such reporting.	No-----	No-----	Technical amendment.
(c)-----	(e)----- The reporting threshold for independent expenditures would be raised from \$100 to \$250 per year for all persons other than political committees or candidates. It would also eliminate the requirement that persons who make independent contributions in excess of \$100 file reports with the Commission and would provide instead that the person who receives the contribution, and subsequently makes the independent expenditure, would report having received that contribution to the Commission.	Yes-----	Yes-----	Simplifies reporting without affecting meaningful disclosure.
Sec. 105-----	Sec. 305 (2 U.S.C. 435). The disclaimer required on all solicitations of contributions should be shortened to read: "A copy of our report is filed with and is available for purchase from the Federal Election Commission, Washington, D.C." The present disclaimer is redundant and reduces the amount of space or broadcast time used for advertising.	Yes-----	Yes-----	Technical amendment.
Sec. 106:-----	Sec. 306 (2 U.S.C. 436). (c)-----	No-----	Yes-----	Technical amendment conforming to amendment to sec. 301(e)(2).
(b)-----	(d)----- This provision allows a candidate who does not designate a principal campaign committee to maintain checking accounts or other accounts in a depository of his own designation.	Yes-----	No-----	Technical amendment.
Sec. 107-----	Sec. 308 (2 U.S.C. 437b). The language relating to the procurement of temporary and intermittent services contained in secs. 9010(a) and 9040(a) of title 26 (which relate to Presidential election campaigns) should also be included in title 2.	Yes-----	Yes-----	Technical amendment conforming to amendment to sec. 302(e)(1).
Sec. 109-----	Sec. 309 (2 U.S.C. 437c) (1)(2). Expands class of persons who may seek an FEC advisory opinion from the present "any candidate for Federal office, any political committee, or the national committee of any political party" to "any person subject to the provisions of the Act."	No-----	Yes-----	Technical amendment.
Sec. 110-----	Sec. 312 (2 U.S.C. 437f) (a). At present, several classes and groups subject to the provisions of the act are not allowed to obtain formal guidance from the FEC on questions of interpretation. Such inequity would be rectified in this section.	No-----	Yes-----	At present, several classes and groups subject to the provisions of the act are not allowed to obtain formal guidance from the FEC on questions of interpretation. Such inequity would be rectified in this section.

SUMMARY OF COMMITTEE WORKING DRAFT NO. 2—FECA AMENDMENTS—Continued

Section of draft No. 2	FECA section amended	Summary of amendment	S. 926, 95th Congress	FEC recommendation	Comment
Sec. 108	Sec. 313 (2 U.S.C. 437g) (a)(5)(A).	This provision: (1) reduces the statutory conciliation period from 30 days to 20 days (FEC recommends 15 days); (2) changes section referred to in (a)(5)(A); and (3) increases from 10 days before an election to 12 the expedited FEC procedures to resolve a complaint through conciliation.	Yes	Yes	(1) Assists FEC in handling complaints more quickly, and prevents abuse of mandatory conciliation period to delay enforcement action close to an election; (2) technical amendment; (3) encourages quick resolution of disputes as election day nears.
Sec. 111:	Sec. 315 (2 U.S.C. 438):				
(a)	(a)(4)	Amends sec. 315 of the act (which prohibits information filed with the FEC from being sold or used for soliciting contributions or for any commercial purpose) such that names and addresses of any political committee on file at the FEC could be used to solicit contributions from that committee. Removes requirement that FEC publish its cumulative index in the Federal Register at regular intervals.	Yes	Yes	Allows names and addresses of political committees to be used for solicitation purposes, but no others.
(e)	(a)(6)		Yes	Yes	Saves cost and paperwork (over 3,000 pages) while still requiring FEC to keep index available.
(b)	(a)	Require FEC to conduct random audits of all filers providing that no Senate or House candidate may be audited more than once in any election cycle.	Yes	No	Floor amendment by Senator Schmitt to S. 926.
(c)	(a)	Requires FEC and IRS to consult and work together to promulgate rules and regulations which are mutually consistent.	Yes	No	Floor amendment by Senator McClure to S. 926.
(d)	(c)(4)	Clarifies language defining "legislative day" so that a day on which the Senate is in session counts toward the Senate's 30 days and a day on which the House is in session counts toward the House's 30 days.	No	Yes	More precise definitions.
Sec. 112:	Sec. 316 (2 U.S.C. 439):				
(a)(1)	(a)	Copies of reports could be filed with the State official designated by the Governor or that State where the State does not have a secretary of state, or where the secretary of state does not handle campaign finance information. Requires multi-candidate committees to file reports only with the secretary of state, or other appropriate State agency in the State in which the committee is headquartered.	Yes	Yes	Clarifies what State official must keep Federal campaign finance information.
(a)(3)	(a)(2)	Changes retention period for records filed with the States so that House reports would be kept for 3 years, Presidential reports for 5 years, and Senate reports for 7 years, in lieu of present 5 and 10-year requirements. (The FEC would still be required to preserve its reports for the 5- and 10-year periods now required.) States would be allowed to preserve reports on microfilm.	No	Yes	Reduces reporting burden on multicandidate committees.
(b)	(b)		Yes	Yes	The present requirement for the States are excessive. This amendment would reduce costs incurred by the States.

<p>Sec. 113: (1) and (2)----- (3)-----</p>	<p>Sec. 317 (2 U.S.C. 439a): (a)----- (b)-----</p>	<p>Permits excess campaign funds to be transferred without limit to a political party committee, provided that no such funds are converted to anyone's personal use. Reimbursement to a Federal officer/holder in connection with official duties excluded from definition of "personal use."</p>	<p>Yes----- Yes-----</p>	<p>Yes----- No-----</p>	<p>Reflects the position of the Senate in S. Res. 110 (95th Congress) and contained in rule 46 of the Senate. Follows present Senate policy.</p>
<p>Sec. 114: (a)----- (a)(4)----- (a)(3)----- (b)----- (c)----- (d)-----</p>	<p>Sec. 320 (2 U.S.C. 441a): (a)(1)(B) and (2)(B).----- (a)(3)----- (a)(4)----- (c)(1)----- (d)----- (i)-----</p>	<p>This section would clarify that if a national committee of a political party is designated as the principal campaign committee for a Presidential or Vice Presidential candidate, the contribution limits pertaining to that candidate would be applicable to those contributions and the committee would have to maintain separate books for such contributions received as the authorized committee of a Presidential candidate. This section would exclude transfers allowed by the amendment to sec. 317 (which permits a candidate to transfer excess campaign funds to a national political party without limit) from the overall individual contribution limit of \$25,000. This section would require a political committee to have made contributions to 5 or more candidates for Federal office which aggregate at least \$250 each in order to qualify as a multicandidate committee. Amends this section to reflect changes in the act brought on by other amendments. This section would permit State committees of a political party, including any subordinate committee of a State committee, to make expenditures in connection with a general election campaign of a Presidential candidate of that party up to the greater of \$20,000 or 2¢ multiplied by the voting age population of that State, unless the national committee of that political party designates within a specific time period another committee to raise and spend such funds in that State as authorized in the next section of the bill. This section would give the national committee of a political party an option to designate a specific committee authorized to conduct this activity with notice to the State committee. If the national committee of the political party exercises this right and designates a committee other than a party committee, such designated committee shall be treated as an authorized committee of that candidate for all purposes, with a specific right to accept contributions for the general election campaign of the Presidential candidate.</p>	<p>Yes----- Yes----- Yes----- Yes----- Yes----- Yes-----</p>	<p>Yes----- Yes----- (\$100 each)----- No----- Yes----- Yes-----</p>	<p>Under present law, if a Presidential nominee designates the national party committee as his principal campaign committee then the national committee is prohibited from accepting contributions in excess of \$1,000 for individuals and \$5,000 for PAC's. Clarifying amendment. Under present law, a committee which meets the other qualifications could make a \$5 contribution to 4 candidates and \$1,000 to a 5th and qualify for the \$5,000 limit available to "multicandidate committees" although the committee may be in essence contributing to only 1 candidate. Technical amendment. This section would remedy an apparent oversight in existing law and permit limited expenditures to support the general election campaign of a Presidential candidate at the State level. Floor amendment by Senator Cannon to S. 926 to clarify extent of national political party designation.</p>

SUMMARY OF COMMITTEE WORKING DRAFT NO. 2—FECA AMENDMENTS—Continued

Section of draft No. 2	FECA section amended	Summary of amendment	S. 926, 95th Congress	FEC recommendation	Comment
Sec. 115:	Sec. 321 (2 U.S.C. 441b):				
(1)	(b)(4)(C)	This section would permit a separate segregated fund established by a membership organization, cooperative or corporation without capital stock to solicit individuals who are members of the membership organizations which are themselves members of such membership organizations, cooperative, or corporation without capital stock.	Yes	No	Would clarify that individual members of member organizations which are members of a membership organization may be solicited by the membership organization.
(2)	(b)(4)(D)	This section would give a corporation the right of approving solicitation by a trade association of its unincorporated division.	Yes	No	Under existing law, a corporation's incorporated subsidiary could approve solicitation under the act by a trade association, but not its unincorporated divisions.
(2)	(b)(4)(D)	This section would also permit the approval of solicitations by a trade association to remain in effect until revoked by the member corporation or division, rather than require new approvals each year.	Yes	Yes	Under existing law, a separate authorization must be obtained each year.
(3)	(b)(7)	Allows the directors or trustees of a nonprofit corporation to be included within definition of "executive or administrative personnel."	No	No	Would allow such persons to be solicited by sponsoring organization's separate segregated fund since no shareholders.
(4)	(b)(8) (new subsection)	This provision would require that a separate segregated fund established by a corporation, labor organization, membership organization, cooperative or corporation without capital stock contain the name of the sponsor organization.	Yes	Yes	Many names of separate segregated funds do not contain the name of the sponsoring organization. Candidates, committees, the press and the public thus have difficulty in finding the source of a PAC contribution if it comes from "The Good Government Committee."
Sec. 117	Sec. 328 (2 U.S.C. 441i).	Brings all Federal candidates within limits on honoraria of \$2000 per speech and \$25,000 per year.	No	No	Removes inequity of allowing Federal candidates who are not Federal employees to receive unlimited honoraria.
Sec. 116	Sec. 406 (2 U.S.C. 455).	This section would repeal the 3-year Statute of Limitations on election campaign violations so that the 5-year Statute of Limitations would be applicable. The section would apply to violations occurring after the date which is 3 years before the date of enactment of this act.	Yes	No	Floor amendment by Senator Brooke to S. 926, Senator Dole bill, S. 704, in 96th Congress would lengthen Statute on Limitations to 4 years.

Sec. 204:					
(a)	Title 11, 26 U.S.C. 527(c)(3). Sec. 9002(11)	Strike "section 610 of Title 18" and insert in lieu thereof "Section 321 of the Federal Election Campaign Act of 1971." Amends definition of "qualified campaign expense" in chapter 95 to be consistent with chapter 96 and to insure that a canceled check is sufficient evidence of expenditures.	Yes	Yes	Technical amendment.
(d) and 206			Yes	Yes	Conforming amendment.
Sec. 201	Sec. 9004(f) new subsection.	This section would provide a grant of \$500,000 from the Presidential election campaign fund to Presidential candidates in the general election to defray legal and accounting costs of complying with the law.	Yes	Yes	Under present law, Presidential candidates may receive contributions from individuals to defray these costs. With the grant of public funds, such contributions would be prohibited. Floor amendment by Senator Cannon to S. 926.
Sec. 205	Sec. 9007(d)	This section would provide that all repayments of excess public funds from eligible candidates in the Presidential general election, and from the parties with respect to convention expenses, shall be redeposited in the Presidential election campaign fund rather than the general treasury.	Yes	Yes	Floor amendment by Senator Cannon to S. 926.
Sec. 202	Sec. 9009(c)(3)	Defines "legislative day" for Presidential general election regulations as in title 2.	No	No	Technical amendment.
Sec. 204(b)	Sec. 9011(b)	Correct misspelling of "construe"	Yes	Yes	Do.
Sec. 203	Sec. 9012(f)	This section would strike sec. 9012(f) of title 26, which pertains to unauthorized expenditures and contributions.	Yes	Yes	This provision is unnecessary in light of other amendments to sec. 320 concerning party activity in Presidential elections. Technical amendment.
Sec. 204(d)	Sec. 9032(8)	Change "person" to "individual" in definition of "political committee".	No	No	Conforming amendment.
Sec. 206	Sec. 9032(9)	Provides that a canceled check is sufficient evidence of a qualified campaign expense.	No	No	Conforming amendment.
Sec. 202	Sec. 9039(c)(3)	Defines "legislative day" for Presidential primary regulations as in title 2.	No	No	Technical amendment.
Sec. 301	Title III, 18 U.S.C. 603.	This section would permit a Senator's 2 assistants designated pursuant to Senate rule XLIX to handle campaign funds, to also receive these funds in a Federal building. Solicitation in a Federal building would remain prohibited by section 603. In addition, contributions received in the mail and promptly deposited in a designated campaign depository would not be in violation of the Federal building proscription.	Yes	No	Conforms Federal law to Senate rule. Floor amendment by Senator Heinz to S. 926 prohibits solicitation of contributions in a Federal building.
Sec. 302		This section would authorize the Commission to conduct a preliminary study with the National Bureau of Standards with respect to the future development of voluntary engineering and performance standards for voting machines.	Yes	No	Floor amendment by Senator Cannon and Senator Hatfield to S. 926.

[Additional statements, letters, and other pertinent materials received by the committee from interested groups, organizations, and individuals for the hearing record are as follows:]

FEDERAL ELECTION COMMISSION,
Washington, D.C., July 17, 1979.

HON. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In connection with the hearings held last Friday by your Committee on proposed amendments to the Federal Election Campaign Act, you requested we answer certain questions for the hearing record.

Enclosed are the Commission's responses to your questions. If further information is required on our legislative recommendations we will be happy to supply it.

Please contact us if we may be of any additional assistance.

Sincerely,

ROBERT O. TIERNAN,
Chairman.

Enclosures.

Question 2. The Commission has recommended that corporations and labor unions be prohibited from giving honoraria to Federal candidates. What would be your reaction to including all Federal candidates instead of just federal employees, within the provisions of 2 U.S.C. § 441i, which limits honoraria to \$2,000 per appearance and \$25,000 per year.

Answer. This alternative would correct a discrepancy in the FECA: the unequal treatment accorded a Federal candidate who is a Federal officeholder vis a vis other Federal candidates who are not Federal officeholders. Accordingly the Commission believes the proposed change would be desirable.

The Commission's recommendation to prohibit corporations and labor unions from giving honoraria to Federal candidates was made to point out the apparent inconsistency between prohibiting campaign contributions from such entities to a Federal candidate, while at the same time permitting the same entities to give personal income to incumbent candidates in unlimited amounts through honoraria. Although the alternative suggested in the question is desirable, it would not solve the problem addressed in our recommendation.

Question 3. Please explain the problems in having different points of entry for reports filed under the Act from the Commission's point of view, and from the point of view of various filers under the Act.

Answer. The goal of the Commission's legislative recommendations is to simplify the administration and requirements of the Federal Election Campaign Act. The current system of three points of entry for the disclosure reports required to be filed under the Act is inconsistent with this goal.

The Commission has received excellent cooperation from both the Secretary of the Senate and the Clerk of the House and we want to emphasize that our recommendation should not be construed as indicating dissatisfaction with either of these offices. It is natural, however, that the current structure will sometimes lead to mistakes which could be avoided entirely if the Commission were the sole point of entry for reports filed under the Act.

For instance, nonfiler notices are sent by the Commission based on information received from the Secretary and the Clerk. Due to the unavoidable time lag between receipt of the report on the Hill, processing of the report, and notification of the Commission, a candidate or committee will sometimes be sent a nonfiler notice even though the report is timely filed. Although this is not a major difficulty, it is embarrassing and could be eliminated by having reports filed at the same office which is responsible for compliance.

It is obvious that candidates and committees would find it easier to deal with only one office for all reporting matters. With the Commission as the sole point of entry candidates and committees could always be certain that their reports have been filed with the proper office. Even today some candidates send their reports to the Commission due to confusion on this point. Furthermore, since the Commission is the first place members of the public call to see whether a report has been filed there would not be the need to refer such inquiries to the Clerk or the Secretary. All information could be obtained from one office in one call or visit.

The Commission believes that having a single point of entry would be a boon to all concerned. Receipt of reports would be in the same office responsible for compliance so that the Clerk and Secretary would be relieved of the burden of notifying the Commission as reports are received. Candidates and committees would only have to deal with one office on all filing matters. The public could have all inquiries answered with the most to date information in a single call or visit. The consolidation of filing points would lead to savings in both time and money.

Question 4. The Senate bill requires that in order to qualify as a multicandidate committee, a committee must contribute \$1,000 to at least five candidates for federal office; whereas the Commission recommends \$100 contributions to at least five such candidates. Do you think that the \$1,000 figure would be unduly burdensome to smaller political committees: If so, why?

Answer. The Commission's recommendation with regard to a minimum contribution amount for qualification as a multicandidate committee is not intended to be an obstacle to qualification, but eliminates the practice of pro forma \$1.00 contributions being made solely to qualify a committee for higher contribution limitations. The object of the qualification requirements is to insure that multicandidate committees have a substantial base of support and are not, in fact, supporting only a single candidate. This objective can be separately achieved by requiring a minimum contribution of less than \$1,000 per candidate. A \$1,000 minimum contribution would be exactly the same as the maximum permitted a non-qualified committee, and therefore may be unduly burdensome, especially for smaller committees. Our original recommendation of a minimum of \$100 or some other sum per candidate would adequately serve the purpose of making the five required contributions intentional and substantial without unduly burdening committees seeking qualification as multicandidate committees.

Note.—The above response represents the views of the Commission except for Commissioner Harris who believes the Committee's recommendation would be an improvement.

Question 5. Please explain the reasons for the Commission's recommendation that a presidential candidate's legal and accounting expenses in the general election campaign should be funded through a block grant from the Presidential Election Campaign Fund, rather than through private contributions as was done in 1976. Is the \$500,000 provided for in the Committee working draft sufficient to meet these expenses?

Answer. As originally enacted the Presidential Election Campaign Fund Act provided for full public financing of the presidential general elections. In 1976, however, the Congress passed an amendment to the FECA permitting presidential general election candidates to make payments for legal and accounting services to comply with the Act which would not count towards the expenditure limitation of \$20 million (plus a Cost of Living Allowance). Following enactment of the FECA amendments of 1976, the Commission implemented this provision in its regulations. FEC regulations allowed presidential general election candidates to set up separate accounts for legal and accounting services, and permitted private funds to be raised to pay for these disbursements.

Such a system of accounting creates an inconsistency: private contributions may not be raised for direct campaign expenses, but they may be raised to pay for legal and accounting expenses. If it is the intent of Congress that the general election be funded completely with public funds, then the expenses for legal and accounting services should also be paid for out of the Presidential Election Campaign Fund. The \$500,000 provided for in the Committee working draft is approximately the amount spent in 1976 by each presidential general election candidate for legal and accounting services.¹

Question 6. Please expand on your testimony that section 437h, concerning expedited judicial review of Commission decisions, should be repealed.

Answer. Section 437h not only permits expedited review of Commission decisions challenged on constitutional grounds but also expedited consideration of any other constitutional challenges to the Federal Election Campaign Act. Commission action is not a prerequisite to petitioning the district court to certify questions to the Court of Appeals.

¹The Ford campaign spent a total of \$465,297 on legal and accounting services during the 1976 campaign. The Carter committee spent \$606,081. In addition, the Carter campaign received in-kind legal and accounting services under 2 U.S.C. Sec. 431(f)(4)(5) totalling \$137,888.

The statutory provision was originally intended to permit the expedited consideration of the challenges heard in *Buckley v. Valeo*, 424 U.S. 1 (1976). Since the *Buckley* decision, however, the provision has been invoked in ten cases, six of which are still in litigation.

2 U.S.C. § 437h may have the effect of placing the Federal courts in the position of being required to issue advisory opinions on the constitutionality of the Act. This effect runs counter to the traditional role of the Federal courts. See *Muskrat v. United States*, 219 U.S. 346 (1911). Furthermore, whereas Federal courts only resolve constitutional questions if a case cannot be decided on other grounds (*Ashwander v. TVA*, 297 U.S. 288 (1936)), § 437h requires just the opposite treatment: all questions of constitutionality must be resolved by the Court of Appeals prior to any decision by the district court on statutory application or interpretation.

The statute also threatens to become a delaying tactic in enforcement litigation. If the Commission files a complaint alleging a violation of Title 2, the respondent can delay a decision on the merits by raising constitutional objections which must be expeditiously considered by the Court of Appeals.

Finally, due to the inconsistencies between the judicial review provisions of Title 2 and Title 26, the courts have felt it necessary to adopt a unique procedure in cases involving challenges to the constitutionality of the public financing provisions of Title 26 as well as provisions of Title 2. To avoid jurisdictional ambiguities, it has been necessary to simultaneously convene a three judge panel of the district court and the Court of Appeals *en banc* to hear the same case. This is a patent waste of judicial resources.

Section 437h was included in the 1974 Amendments to serve a specific end: to permit expedited review of the 1974 Amendments. It has served its purpose and should now be eliminated.

Question 7.—Section 119 of the Committee working draft contains a provision entitled “Declaration of Intended Personal Expenditures.” This provision was added to S. 926 in the last Congress as a floor amendment without extensive debate or study. I would appreciate the Commission’s comments on the administrability of this section, and the Commission’s opinion on its effect on federal campaigns.

Answer. The general purpose of all of the Commission’s legislative recommendations is to simplify the Act and reduce the recordkeeping and reporting requirements imposed on candidates and committees. The “Declaration of Intended Personal Expenditures” would impose an additional reporting requirement on all campaigns, thus complicating compliance with the FECA.

To administer and enforce this additional requirement, the Commission would have to set up an enforcement mechanism similar to its current nonfiling procedures. Under the nonfiling procedures, candidates and committees are informed of their registration and reporting requirements before the report is due, and are sent RTB and RCTB notifications in the event of a failure to file a timely statement or report. In addition, telephone calls are often placed to these candidates and committees informing them of the reporting requirements. Despite all of these efforts, 10 percent of all candidates and committees do not file reports at all, and 40 percent file their reports late. Since the “Declaration of Intended Personal Expenditures” is not as integral a part of the Act as the filing of the basic disclosure reports, it is conceivable that the incidence of late reporting, and failure to report, could be even higher under this provision.

Further, since the Act requires that all personal loans by the candidate and candidate expenditures and contributions be reported, the “Declaration of Intended Personal Expenditures” would not provide any additional information beyond that which is already provided for in the disclosure reports. While this information would generally be provided in a more timely fashion under this provision, if a candidate were to file such declaration, and then subsequently not comply with his or her declaration of intent, it would be difficult for the Commission to take any enforcement action against the candidate. The Commission would have to prove that the candidate knowingly and willfully filed a false declaration. If the candidate timely and properly reported his or her loans, and contributions and expenditures, it would be difficult, if not impossible, to prove or disprove what were his or her original intentions.

The provision requires the Commission to transmit by wire to each candidate in a particular state a statement of the greatest amount of intended personal expenditures declared in that state after the last candidate qualified to have his or her name placed on the ballot. This might be particularly true in states where

there are minor party candidates on the ballot. The only remedy the Commission might have to obtain these declarations in a timely manner would be to proceed through the 2 U.S.C. 437g enforcement procedure, a measured and generally time-consuming process which might not culminate until after the election. Finally, the Commission must transmit to all candidates in each state race the amount of personal expenditures; however the candidates are not required to report the amount they intend to spend, but only whether they intend to spend more than \$35,000.

Given the limited additional information which this provision would provide to other candidates and the general public, and the additional burden it would impose on campaigns, the Commission does not recommend enactment of this provision.

Question 8. The Commission's recommendations and the Committee working draft both contain provisions allowing state party committees to spend the greater of \$20,000 or 2 cents times the voting age population of a state on behalf of their party's Presidential candidate in the general election. In addition, increased volunteer activity and name-identification on behalf of Presidential candidates is included in this draft. In view of these provisions, do you believe that the expenditure ceilings for the Presidential campaign should be increased above the \$20 million plus cost-of-living increase for each primary campaign, and \$2 million plus cost-of-living increase for the nominating conventions? If so, what sums would be adequate to meet the 1980 campaign demands?

Answer. The Commission's recommendations that the Presidential expenditure limitations be increased were submitted before the exact amounts which the voting age population (VAP) cost of living (COLA) increases would add to the present statutory figures were available. Using 1979 VAP & COLA figures, the limitation for each Presidential general election candidate now stands at \$26,460,000 and for each primary candidate at \$13,230,000. These figures will be updated further in January 1980, upon the publication of the new voting age population and cost of living index.

The proposal was originally made in our 1976 Annual Report, issued in March 1977, to express our concern that there was insufficient campaign activity in the 1976 election. If our proposal to permit State parties to make § 441a(d) expenditures on behalf of their Presidential nominee is adopted, based on current VAP and COLA, there would be an additional \$4,296,167.24 in expenditures on behalf of each major party nominee without additional drain on the Presidential Election Campaign Fund. This would be in addition to national committee expenditures under § 441a(d). The present ceiling on such national committee expenditures is \$4,092,885.72.

Furthermore, adoption of our recommendation to exclude certain party volunteer activity from the definition of contribution and expenditures, should also increase campaign activity in connection with Presidential elections.

If our party activity proposals were adopted, an increase in Presidential campaign activity could therefore be achieved which arguably could meet the need for a direct increase in the expenditure limitation. Based on current VAP and COLA, which will be increased next year, total campaign activity for each general election candidate would be \$34,849,052.96. Even a modest 10 percent increase in VAP and COLA by 1980 would yield total campaign activity of \$38,333,958.26 for each major party general election candidate with no need to increase payments from the Presidential Election Campaign Fund.

With regard to the nominating conventions, at least three factors should be taken into consideration as regards any possible increase in the expenditure limitation. First, in 1976 it was the timing of the receipt of public funds which created problems for the national parties, not the amount of those funds. The Commission has attempted to rectify this situation by means of section 9008.8 (e) (2) (ii) of its proposed regulations which permits a party to obtain its entire funding allotment in one payment. Second, in 1976 both parties actually returned funds to the U.S. Treasury. Third, the cost of living increase for 1979 brings the total convention limitation up to \$2,646,000, a figure which will increase again in January 1980. These factors may indicate that no increase in the present statutory formula would be warranted with regard to the 1980 conventions.

Question 9. The Commission has requested that it be exempted from the requirements of two major statutory reporting requirements: the Federal Reports Act and publication of its cumulative index in the Federal Register. In conjunction with this request, please provide the following information:

- (a) the annual cost to the FEC for complying with the Federal Reports Act;
- (b) the length of any delays in preparing forms or other such documents because of compliance with the Federal Reports Act;
- (c) the cost to the FEC of preparing a cumulative index of FEC reports and statements for publication in the Federal Register;
- (d) the number of pages such index occupies in the Federal Register;
- (e) the frequency with which the index is published; and
- (f) alternative sources for obtaining such information.

Answer. (a) Although the Commission has not kept specific records for complying with the Federal Reports Act, on the average it costs the Commission approximately \$1,500 a year.

(b) The Federal Reports Act delays prescribing of Commission forms for approximately 59 days. It takes about two weeks (14 days) to prepare the backup supporting documentation to be sent to GAO and printed in the Federal Register, in addition to the 45 day comment period required by GAO regulations.

It should be noted that all the information requested on the FEC forms is specifically required by statute. It is not discretionary; it is unique. No other agency requests similar information on campaign finance activity.

(c) The Commission has not asked to be exempted from the compilation of the cumulative index of disclosure documents, just the publication of the entire index in the Federal Register. Indeed, due to budgetary constraints, the Commission presently prints a notice in the Federal Register that the cumulative index, and other indexes, are available at the Public Records Office of the Federal Election Commission. The cost of compilation of the index is extensive, requiring computer storage and run time, and a large commitment of staff resources to code, enter, and verify data input into the computer.

In FY 1979, when the Commission became aware of a change in policy requiring agencies to pay for the cost of printing items in the Federal Register, the Commission asked for an additional \$122,000 to cover the costs of such printing in its FY 1979 budget, raising the appropriation request to \$8.624 million. For FY 1979, the Commission was appropriated \$8.000 million.

Further, when the Commission requested \$122,000 as a supplemental appropriation to publish this index, and to publish other materials in the Federal Register, the request was not approved. Therefore, the Commission determined to publish notices concerning the availability of the indexes once each calendar year. At an approximate cost of \$200 per page, the present cost to the Commission of printing the notice of the availability of the indexes is \$400 per year.

The last cumulative index, (designated the "C" index for Committees and the "E" index for Candidates) was printed-out by computer in April 1979. It contained 3,284 pages. At present rates, cost of entire publication one time in the Federal Register would be \$656,800. The index is, of course, contained in the Commission's computer system, is updated daily, and is available on an inquiry basis for specific committees and/or candidates in the Public Records Office.

(d) As stated above, the last formal printing of the "C" and "E" indexes contained 3,482 computer printout pages. The size fluctuates according to the time period within a two year election cycle (April 1979 represented 1977-1978 and through April 10 for 1979).

(e) The notice of availability of the indexes is printed in the Federal Register once a year. It is continually available on an inquiry basis. In April 1977, the Commission did print a list of the Candidates whose reports were on file. This required 240 pages.

(f) Information contained in the indexes is available in the Public Records Office on a day to day basis by either walk-in, phone, or mail request. In addition, the Commission sends indexes to the Secretaries of State 4 times a year. These are indexes of federal campaign activity within the respective states. The documents and indexes are available at the various state offices with varying degrees of accessibility.

Indexes are also available, of course, at the Office of the Clerk of the House and the Secretary of the Senate.

Question 10. The Commission has recommended an amendment to exempt from the definition of "contribution" or "expenditure," payments made by or on behalf of a political party committee as a condition of ballot access. Please list the states where this problem is particularly acute, and what the costs of ballot access are in those states.

Answer. The Commission recommends exempting from the definition of contribution or expenditure payments made to a political party committee by or

on behalf of a candidate as a condition of ballot access. At present such payments are considered contributions to the party committee even though the payments may ultimately be turned over to the State government. The states in which this practice prevails and the payments required are listed in the attached chart (Appendix A).

APPENDIX A

FILING FEES PAID TO PARTIES BY FEDERAL PRIMARY CANDIDATES

	For Congress	For President
Alabama.....	2 percent of annual salary or \$600 whichever is the lesser (optional pauper's affidavit or petition).	
Arkansas.....	Determined by parties for both Senate and House seats.	Determined by parties but not to exceed \$2,500 (optional petitions determined by parties).
Delaware.....	Determined by parties but not to exceed 1 percent of annual salary (forwarded to party by Secretary of State).	
Florida.....	Determined by party up to 2 percent of annual salary (an added 3 percent to State government).	
Georgia.....	3 percent of annual salary.....	
Mississippi.....	Set by parties (\$300 Senate, \$200 House).....	
Missouri.....	\$100 Senate, \$50 House.....	
Nebraska.....	1 percent of annual salary.....	
South Carolina.....	Fixed by parties (normally 2 percent of annual salary).	
Texas.....	\$2,000 for Senate, \$1,500 for House (optional petition in lieu of fee).	Unknown since September 1977 (1976 law valid for 1976 only).

FEDERAL ELECTION COMMISSION,
Washington, D.C., July 17, 1979.

HON. MARK O. HATFIELD,
Ranking Minority Member, Committee on Rules and Administration, U.S. Senate,
Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HATFIELD: In connection with the hearings held last Friday by your Committee on proposed amendments to the Federal Election Campaign Act, you requested we answer certain questions for the hearing record.

Enclosed are the Commission's responses to your questions. If further information is required on our legislative recommendations we will be happy to supply it. Please contact us if we may be of any additional assistance.

Sincerely,

ROBERT O. TIERNAN,
Chairman.

Enclosures.

QUESTION 1: REPORTING DETAILED INFORMATION ON CONTRIBUTIONS

The draft bill would raise the threshold amount for requiring detailed information on a contribution from \$100 to \$200. Thus only when a person's contributions aggregated \$200 or more in a year would his/her identity be disclosed in reports filed with the Commission.

Question. In your opinion, is adequate disclosure insured under the new threshold?

Answer. Raising the threshold amount from \$100 to \$200 should not hinder the sufficiency of disclosure to any significant degree. Generally speaking, contributions to a campaign which did not aggregate in excess of \$200 would have little individual impact on a particular campaign. It should also be noted that the \$100 threshold was originally established in 1971. Since that time the increases in the Consumer Price Index indicate that a \$200 threshold would be effectively the same as the original threshold. Furthermore public requests for information relating to contributions of \$200 or less have been minimal.

Question. Based on the Commission's past experience, are most campaigns and committees in compliance with the existing requirement, that is, is their recordkeeping adequate to insure that contributions from the same person are aggregated and reported when they exist?

Answer. Failure to itemize contributions or expenditures is a very common finding in the audits completed by the Commission. Among the 1976 House and

Senate candidates audited, approximately $\frac{1}{3}$ failed to itemize some contributions or expenditures. In many cases, these problems stemmed from inadequate record-keeping systems.

Question. If there are presently problems with compliance, would you expect these problems to increase if the threshold is raised?

Answer. If the threshold were raised, the Commission does not believe it would lead to an increased failure to itemize contributions. The techniques used to determine whether transactions should be itemized would be identical under either threshold. With the higher threshold, however, fewer transactions would require itemization. The Commission would therefore anticipate a decrease in the incidence of failure to itemize.

QUESTION 2: RAISING EXPENDITURE LIMITS

Question. Is the Commission still in favor of raising the expenditure limitations for Presidential campaigns?

Answer. The Commission's recommendations that the Presidential expenditure limitations be increased were submitted before the exact amounts which the voting age population (VAP) cost of living (COLA) increases would add to the present statutory figures were available. Using 1979 VAP & COLA figures, the limitation for each Presidential general election candidate now stands at \$26,460,000 and for each primary candidate at \$13,230,000. These figures will be updated further in January 1980, upon the publication of the new voting age population and cost of living index.

The proposal was originally made in our 1976 Annual Report, issued in March 1977, to express our concern that there was insufficient campaign activity in the 1976 election. If our proposal to permit State parties to make § 441a(d) expenditures on behalf of their Presidential nominee is adopted, based on current VAP and COLA, there would be an additional \$4,296,167.24 in expenditures on behalf of each major party nominee without additional drain on the Presidential Election Campaign Fund. This would be in addition to national committee expenditures under § 441a(d). The present ceiling on such national committee expenditures is \$4,092,885.72. Furthermore, adoption of our recommendation to exclude certain party volunteer activity from the definition of contribution and expenditures, should also increase campaign activity in connection with Presidential elections.

If our party activity proposals were adopted, an increase in Presidential campaign activity could therefore be achieved which arguably could meet the need for a direct increase in the expenditure limitation. Based on current VAP and COLA, which will be increased next year, total campaign activity for each general election candidate would be \$34,849,052.96. Even a modest 10 percent increase in VAP and COLA by 1980 would yield total campaign activity of \$38,333,958.26 for each major party general election candidate with no need to increase payments from the Presidential Election Campaign Fund.

With regard to the nominating conventions, at least three factors should be taken into consideration as regards any possible increase in the expenditure limitation. First, in 1976 it was the timing of the receipt of public funds which created problems for the national parties, not the amount of those funds. The Commission has attempted to rectify this situation by means of section 9008.8(e)(2)(ii) of its proposed regulations which permits a party to obtain its entire funding allotment in one payment. Second, in 1976 both parties actually returned funds to the U.S. Treasury. Third, the cost of living increase for 1979 brings the total convention limitation up to \$2,646,000, a figure which will increase again in January 1980. These factors may indicate that no increase in the present statutory formula would be warranted with regard to the 1980 conventions.

QUESTION 3: ENFORCEMENT—DUE PROCESS CONCERNS

Section 437g(a)(4) of the Act provides that the Commission shall allow a person who is under investigation for an alleged violation a reasonable opportunity to demonstrate that no action should be taken by the Commission under the Act.

Question: Does this reasonable opportunity presently allow a respondent to personally appear before the Commission in the early stages of investigation?

Answer. The Commission's enforcement procedures do not provide for an oral appearance before the Commission, but instead permit the respondent to submit

any written legal or factual material which the respondent believes demonstrates that no action should be taken against him or her. Since the Commission does not have adjudicatory powers (such as issuance of cease and desist orders) but only investigatory authority, this procedure is fully consistent with due process. See *Hannah v. Larche*, 363 U.S. 420 (1959). The only action the Commission may unilaterally take against a respondent is the filing of a civil complaint in district court, or, in the case of criminal violations, referral of the matter to the Attorney General.

Requiring the Commission to conduct an oral hearing in each enforcement matter would cause tremendous delays in the processing of enforcement matters, with attendant increases in costs. During calendar year 1978, for example, the Commission opened 481 enforcement matters, and closed 401 enforcement matters. Affording an oral hearing in these cases would have made it impossible for the Commission to resolve such a high percentage of cases so promptly.

Question. What methods has the Commission adopted for allowing persons to present a defense or explanation prior to the Commission's determining that there is reasonable cause to believe that any person has violated the Act?

Answer. The Commission's enforcement procedures are set forth in Part 111 of Title 11, Code of Federal Regulations. 11 CFR 111.4 provides that if the Commission finds reason to believe a violation has occurred, the Commission will so notify the respondent "providing a copy of the complaint or summary of the matters brought into question and advising the respondent that he or she should submit any written factual or legal information which he or she believes demonstrates that no action should be taken against him or her." Customarily the respondent is given ten days from receipt of this notification to respond, extensions being granted where appropriate.

The materials submitted by the respondent are reviewed by the Office of General Counsel and submitted to the Commission, along with a General Counsel's Report recommending whether any further action should be taken. The respondent's submission is taken into consideration by the Commission before a vote is taken on whether there is reasonable cause to believe a violation has occurred.

QUESTION 4: SHORTENING THE CONCILIATION PERIOD

The Commission has recommended that the conciliation period be shortened from 30 to 15 days.

Question. Do you feel that the rights of a respondent, particularly his ability to gather evidence and prepare a defense, are adequately protected under such a time frame?

Answer. Reducing the time limit for conciliation would have no effect on a respondent's ability to submit a defense because statutory conciliation is entered into only after the Commission has found reasonable cause to believe (RCTB) a violation has occurred. Since the Commission's investigation is completed prior to the RCTB determination, the respondent, as described in our response to Question 3, has already been given an opportunity to demonstrate that no action should be taken against him or her.

QUESTION 5: PLEDGES

One of the Commission's recommendations which is included in the draft bill is that pledges are not considered contributions and thus are not reportable.

Question. Granting that insuring compliance with the existing provision may be difficult and that the value of the disclosure at times is minimal, are there not instances in which effective disclosure would be significantly impeded were pledges not reported—for instance, in a case where pledges were used as collateral for a bank loan, but the persons signing the pledges were not listed as guarantors of the bank loan?

Answer. If pledges were used as the sole collateral for a bank loan, a question might arise as to whether the loan would be in the ordinary course of business, since they would be such a weak form of security. In any event, the pledgors would not be personally liable on the note, unless they also signed the note as guarantors or endorsers. Therefore, even in the situation presented, disclosure would not be adversely affected since the names of all persons actually liable on the note as makers, endorsers, or guarantors would have to be reported to the Commission as contributors in accordance with 2 U.S.C. § 431(e)(5)(G).

STATEMENT OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

AGC is: More than 30,000 firms including 8,000 of America's leading general contracting firms responsible for the employment of 3,500,000-plus employees; 113 chapters nationwide; more than 80 percent of America's contract construction of commercial buildings, highways, industrial and municipal-utility facilities.

AGC is interested in commenting on the discussion print of proposed amendments to the Federal Election Campaign Act because it has an operating affiliated multicandidate committee which makes contributions to congressional candidate committees from a separate segregated fund.

We would particularly like to applaud Section 115 of the draft, which would allow member corporations to authorize solicitation of their employees by a trade association separate segregated fund for an indefinite period—in other words, the separate segregated fund would maintain the authorization until and unless it was revoked by the corporation. The current yearly authorization requirement has severely restricted the ability of our political action committee to communicate with our members' employees, especially since recent FEC Advisory Opinions have interpreted virtually any political communication to be a solicitation.

There are two recommendations we would make concerning Section 115. First, in 115(2) (in the draft, page 29, line 9), we would request that a trade association be specifically allowed to seek authorizations from companies that are members of associations that are members of the main association. AGC is structured such that all our corporate members belong to the national association by virtue of belonging to one or more of its 113 chartered chapters. These chapters are themselves associations, each with its own membership rules and designations. This is *not* an unusual structure for a national trade association. We would like the statute to indicate that we may legally seek authorization from all of our chapters' members.

Second, we would like a clarification of the term "corporate division, as used in 115(2) (D) (ii) (Page 30, line 1) of the draft. This term is not defined in the Act, and varies among corporations and industries.

Another section of the draft that we find troubling is 114(3) (page 26, line 7), which raises the threshold for qualifying as a multicandidate committee. The five \$1,000 contributions required in the draft would have the effect of throwing many smaller political action committees out of the multicandidate committee category, down into the "person" category, thereby cutting the maximum per candidate per election contribution from the current \$5,000 to \$1,000. This would affect about twenty to thirty percent of the PACs now in operation; FEC figures show that, for the 1977-1978 election cycle, 384 of the 821 corporate PACs and 133 of the 281 union PACs made contributions totalling less than \$10,000.

We've also noted that Sections 117-119 of the draft seem to be designed to facilitate implementation of a scheme of public financing. We would request that these remnants of last Congress's proposal be deleted entirely.

We understand that there is support for the concept of disclosure of administrative expenses of union, corporate, and trade association PACs. We understand and do not oppose the motives behind this proposal. We would note, however, that we currently do not isolate and aggregate these expenses. They are part and parcel of our various broad accounting designations, such as "staff," "printing," or "postage." We could do this, but not without major overhaul of our association's accounting system, involving major expenditures of time and money.

In closing, we applaud the efforts of the committee to clarify and perfect the Federal Election Campaign Act, including its efforts to encourage political party involvement and grass-roots political activity. As a responsible and, we believe, enlightened trade association, we do not see reasonable incentives to party or individual contributions and expenditures as detrimental to or in competition with the political goals and privileges of the private sector.

STATEMENT ON BEHALF OF THE POLITICAL CAMPAIGN AND ELECTION LAW COMMITTEE OF THE FEDERAL BAR ASSOCIATION, PRESENTED BY DANIEL J. SWILLINGER, CHAIRMAN OF LEGISLATIVE SUBCOMMITTEE

Mr. Chairman and Members of the Committee, I appreciate the opportunity to present to the Committee the views of the Federal Bar Association's Political Campaign and Election Law Committee on the proposed amendments to the Fed-

eral Election Campaign Act of 1971 (FECA). Our committee membership is principally composed of lawyers who represent clients—candidates, corporations, labor unions, trade associations, political parties—who are involved in the Federal Election process and therefore are directly affected by the FECA. We bring to you the views of experienced practitioners in this field.

The draft bill which you are now considering solves many of the administrative and mechanical problems which have been plaguing candidates and political committees since the 1974 amendments. We fully support the provisions which will ease the reporting burden by reducing the number of off year reports required to be filed; by raising the limit for residential parties; by shortening the Congressional review period for regulations and the several other provisions which ease the plight of candidates and committees.

Today we choose to focus on five points in the proposed legislation which we believe bear special mention.

1. Section 115(2) of the proposed legislation would ease the burden of member corporations and the trade associations which solicit their member corporation's employees by lifting the requirement that the corporation's assent to the trade association's solicitation request be renewed each year. The bill's provision that the agreement remains in effect from year to year until revoked is a small but important step in reducing paperwork associated with complying with the FECA. On this same subject, we are pleased to see that Section 115(2) codifies the Federal Election Commission's position that different subsidiaries or divisions of a corporation may be solicited by different trade associations of which they are members. Finally, we urge the Committee to further ease the restrictions on trade association solicitations.

2. Section 114(a)(3) of the bill provides that for a political committee to qualify as a multicandidate committee, it must contribute \$1000 to each of five candidates as part of the multicandidate committee threshold qualifying requirements. We agree that some minimum contribution level should be set, to eliminate the potential practice of giving one dollar to four candidates and \$5000 to the fifth, thereby avoiding the intent of the statute that a committee should show some broad-based activity to qualify. However, we believe that \$1000 is too high a threshold, given the fact that the average political committee contribution had been well under \$1000. We suggest a \$100 minimum, the itemization threshold in the statute, which is high enough to be a real commitment of funds, but low enough not to penalize new, small committees which have more limited funds.

3. Section 117(3) of the proposed legislation contains a definition of personal expenditure which we view as an invitation to avoid the individual contribution limitations. The provision would include in the definition of personal expenditure, "funds obtained by a loan of money to such candidate, such persons (relatives of the candidate), or the spouses of such persons, *or to any other person* (emphasis added), if . . . (those listed above) . . . endorse or guarantee such loan in whole or in part."

This provision would authorize unlimited personal loans to candidates, made with the intent to avoid the contribution limitations. The clause, and especially the underlined phrase, invite a person who may become a candidate to seek large signature loans prior to becoming a candidate, to expend those funds during the campaign, and then not repay the loans. This is contrary to a policy adopted by the FEC, and would seriously undermine the individual contribution limitations. Admittedly, loans of this type are difficult to police, but it is unwise to encourage this practice statutorily.

4. Section 119 of the proposed bill adds a new provision to the FECA, which would require candidates to declare their intention to expend more or less than \$35,000 in personal funds. The provision is largely unenforceable, since it requires the FEC to delve into the state of mind of a candidate. We see little value in this provision, and urge its deletion. One thing the FECA does not need is more provisions which add to candidate's burdens without any concomitant benefit to disclosure or enforcement.

5. Finally, Section 201 provides that, for Presidential candidates who accept public financing for the general election, legal and accounting costs are "qualified campaign expenses" and must be paid for from the public funds. This is an excellent provision which will preclude the use of private funds for this purpose, as was done in 1976. This eliminates the risk of commingling public and private funds, and will cause better accounting in this area. Providing \$500,000 for the legal and accounting costs makes this amendment workable, since this eliminates

the need for the candidates to spend their allotment of Federal funds for costs which do not advance the substantive aspects of the campaign.

We urge the Committee to add a similar provision to the primary election public financing statute, since the need for both legal and accounting costs is often higher than for the general election, because the committees are setting up the initial books and trying to qualify for matching funds.

We appreciate the opportunity to present our views, and we are available to provide additional views at the request of the Committee.

Thank you.

CHAMBER OF COMMERCE OF THE UNITED STATES,
Washington, D.C., July 20, 1979.

HON. CLAIBORNE PELL,
*Chairman, Senate Rules and Administration Committee,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: On behalf of the National Chamber's over 85,000 members, I would like to take this opportunity to comment on the Senate Rules and Administration Committee's Discussion Draft on Federal Election Campaign Act Amendments for 1979.

The Committee is to be congratulated on its efforts to improve the Federal Election Campaign Act and the Federal Election Commission (FEC) by provisions in the Senate draft. This is a constructive attempt at revising a law which has numerous problems and pitfalls. There are, however, certain provisions in the draft which would not constructively revise our electoral system, but would be restrictive for companies and trade associations, their political committees, and therefore their employees and their members.

REDUCING THE PAPERWORK BURDEN

Before discussing the Chamber's objections to these proposals, I would like to note the provisions we feel are most valuable in this draft, those being the various proposals to reduce the paperwork burden for both the FEC and the candidates for public office.

The major thrust of these amendments is to reduce substantially the record-keeping and reporting requirements of the campaign law, generally accepted to have been an unnecessarily burdensome infringement on the political process in the 1976 and 1978 elections. The FEC, under present requirements and structure, in 1976 processed one million pages of disclosure forms containing 20 million separate pieces of information, from 9049 entities, representing 3390 campaigns. Under the Senate draft, the reporting requirement provisions will reduce the number of reports from twenty-four to nine over a two year period, thereby lessening the burden on all parties.

The Committee draft is unclear as to whether political committees would have the same reduction in reporting requirements as party committees, candidates and the FEC. In order to make the proposal equitable to all parties involved, the Committee should consider reduction of reporting for political committees, thus cutting the paperwork burden across the board.

It is our view that multicandidate political committees which are representing the views of their employees or members should be less burdened by paperwork. This will also permit such committees to spend less time on administrative tasks and more time informing their members of the views of the various candidates.

MULTICANDIDATE COMMITTEES

On behalf of our members who operate a political action committee, we strongly oppose Section 114(a)(3) (pages 25-26 in the draft), which defines a multicandidate committee. This provision, in effect, clearly discourages small political action committees by defining a multicandidate political committee as one "who has been registered for a period of not less than 6 months, received contributions from 50 or more persons and which aggregate at least \$1,000 each with respect to at least 5 such candidates for federal office." \$1,000 is much too high a threshold. Under this provision, the political committee, unless it gave \$1,000 to five candidates, would be considered an individual. The FEC's original recommendation in 1978 was \$100.

These political committees provide funds for candidates whose views coincide with their own, a right guaranteed by the First Amendment of the Constitution.

The Committee proposal would discourage the operation of smaller committees. It is imperative that the \$1,000 figure be reduced substantially to assure that companies maintain their political action committees and that smaller companies are ensured of having continued equal political privileges and opportunities.

POLITICAL COMMITTEES AND ADMINISTRATIVE COSTS

Although there is no mention in the Senate draft of political committees administrative costs, the subject has been brought to the Committee's attention by other organizations; therefore, I feel it necessary to comment.

It has been suggested by one self-sustaining political committee, in testimony before this Committee, that the law be amended to require that all political committees pay their administrative costs. This would mean that money from contributions would be used for administrative purposes such as legal and accounting services, rent on political committee offices, salaries of employees, travel and per diem, office equipment and postage and printing charges of the committee.

Basic differences exist between the two types of committees, and therefore it is unreasonable and illogical to propose the committees be treated identically. As the law now reads, corporate and union political committee administrative costs are paid by the parent organization; that is, either the company or the union. Self-sustaining political committees pay their own administrative expenses out of the funds they raise.

Another major difference exists in the solicitation privileges of the two types of committees. Unions may solicit their members, and corporations can solicit their management and shareholders. On the other hand, self-sustaining committees can solicit anyone and everyone, as often as the committee feels it necessary. Clearly, self-sustaining committees have much greater freedom of action.

A fundamental difference in objective must be recognized as well. Self-sustaining political committees identify themselves as ideological in nature. They are often organized on a single issue or for a single purpose.

Corporate and union committees are formed to increase their employee's and member's political awareness and to give them an opportunity to participate in the political process.

The National Chamber strongly urges the Committee to retain present law in this area, and to recognize the basic structural and ideological differences between the two types of committees.

To summarize, we consider most of the draft constructive, workable and commendable. The provisions ending the needless paperwork, and thereby reducing the bureaucratic nightmare which has plagued the FEC over the past five years are needed. However, the provisions dealing with multicandidate committees and political committee administrative costs clearly discriminate against business political action committees.

I will appreciate your considering our views and making this letter a part of the hearings record.

Cordially,

HILTON DAVIS,
Vice President,
Legislative and Political Affairs.

STATEMENT BY MARY MEEHAN, TREASURER, COMMITTEE FOR A CONSTITUTIONAL
PRESIDENCY

Mr. Chairman and Members of the Committee, as one of the many victims of the Federal Election Campaign Act, I welcome the opportunity to submit this statement to you.

My committee supported Eugene McCarthy's independent campaign for President in 1976. I have studied and written about the federal election act for nearly five years, and have learned of the experiences of many others with the act. So it is not only from my own experience that I speak.

I want to suggest to you that amending the federal election act is nearly a hopeless task. To enact technical amendments is to use a bandaid for cancer. The law is such a bad law, in so many different ways, that the best thing to do with it is to repeal it. I suggest that it be replaced with a simple disclosure law—a law that everyone can understand and comply with.

Because it is serious business to say that a federal law is so bad that it cannot be improved, I would like to document this contention in specific terms.

THE LAW RESTRICTS POLITICAL SPEECH AND POLITICAL ORGANIZING

Georgia State Senator Julian Bond was considering a presidential campaign in 1975. He decided against it when he found that "we just couldn't raise enough cash."¹ Why? Because the federal election act made it illegal for him to borrow from a few persons the \$20,000 needed to start a direct-mail campaign. Bond's campaign manager said that forcing candidates to raise seed money in small amounts penalizes candidates who represent poor communities. "Julian's base," he said, "is the black community, and it's not a rich community."² Bond was the first casualty of the new law. Certainly the most effective way to cut off political speech is to prevent a campaign from even getting off the ground.

Eugene McCarthy's independent campaign, which started before the new election act had taken effect, faced many problems unique to campaigns outside of the major parties. We faced discriminatory laws on ballot access in over 20 states, and we fought about two dozen lawsuits (most at the federal level) to overcome them. We faced what amounted to a blackout in the national media; this made it difficult to recruit volunteers and organize statewide campaigns. But by far the most serious obstacle we faced was the federal election act. That law made it impossible for us to raise the money we needed for early organizing of petition drives. By preventing organizing and paid media access, the election act restricted our candidate's speech almost as effectively as if it had bound and gagged him.

Early in 1976, Senator Charles McC. Mathias of Maryland was thinking of running for President as an independent candidate. But about one month after the Supreme Court upheld major provisions of the federal election act, Senator Mathias announced that he would not run. He cited the limits on fundraising as one of his reasons for deciding against an independent campaign.³

The law's effects on free speech go well beyond insurgent campaigns. In the spring of 1976, when the Supreme Court's decision in *Buckley v. Valeo* resulted in a temporary cut-off of matching funds during the presidential primaries, nearly every campaign which had depended on matching funds was faced with a serious financial crisis. On the Democratic side, the one campaign which was able to survive the crisis, the Carter campaign, did so only through bank loans guaranteed by the candidate and through substantial credit from its advertising agency. Lacking Mr. Carter's unusual resources, the other candidates were unable to overcome their handicap by obtaining large contributions or loans—thanks to the election act. In the crucial Pennsylvania primary, Rep. Morris Udall's campaign had no money for much of the television time it wanted to buy. And Governor George Wallace's campaign manager said, "There are no funds to purchase media with; radio, television, newspaper advertising is out of the question."⁴ Senator Birch Bayh had already suspended his campaign by that time. Myer Feldman, who had led Bayh's fundraising effort commented that the federal election act "makes it impossible to campaign in all the primaries and do an adequate job. . . . For all the candidates to be able to present their positions adequately, you have to make it possible for them to raise \$10 million. And that's impossible today. It just cannot be done."⁵

In the 1976 fall campaign, restrictions on free speech were still evident. The spending limits imposed on the Carter and Ford campaigns resulted in severe curtailment of campaign activity, especially at the local level. The most basic items for a volunteer campaign—brochures, buttons and bumper stickers—were in short supply.⁶ Local and state party committees could not make up for this, because they, too, were subjected to tight spending limits. The *New York Times* carries a photograph of the Nassau County Republican Chairman as he stood on a ladder and painted the name of Gerald Ford out of a campaign sign. The Federal Election Commission had decreed that a local party committee could spend no more than \$1,000 on behalf of its national ticket, and the Nassau County committee had gone well over the limit with its signs.⁷

¹ *New York Times*, July 12, 1975, p. 22.

² Quoted in Michael J. Malbin, "New Campaign Finance Law Faces Legal, Political Tests," *National Journal Reports*, July 12, 1975, p. 1018.

³ *Congressional Record*, March 3, 1976, p. S 2719.

⁴ Quoted in Lyle Denniston, "The 'Frills' Are Gone as Candidates Pay Their Own Way," *Washington Star*, April 15, 1976, p. A-10.

⁵ Quoted in Stephen Isaacs, "Most Candidates Running in the Red," *Washington Post*, April 15, 1976, p. A-4.

⁶ Stephen Isaacs, "Outlay Limit Unbuttons Campaigners," *Washington Post*, October 8, 1976, p. A-4.

⁷ "Altering Campaign Signs," *New York Times*, September 30, 1976, p. 45.

In neighboring New Jersey, the Republican candidate for the U.S. Senate was excluded from a local committee's billboard because the committee feared it might otherwise have legal problems. Another local committee said it could not include the Senate candidate in a mass mailing unless the candidate paid part of the cost. The same candidate had been invited to make television spots for President Ford, to be paid for by the New Jersey GOP. But this plan was dropped because it would have meant an illegal contribution to the Ford campaign. So the Senate candidate lost TV time that would have been far more valuable to him than to the Ford campaign.⁸

On the Democratic side, a Carter advance man was told by a group of citizens that they were going to run a full-page advertisement for his candidate. The advance man passed the message on to Carter headquarters in Atlanta. But he was told that the ad should not be run—so that the campaign could not be accused of collusion with what was supposed to be independent spending.⁹

The spending limits encouraged Democrats to set up independent, unauthorized committees. A leader of one of those committees, Health Volunteers for Carter-Mondale, said: "I can't use Carter's speeches or press conferences in our literature." He added, "I don't know what the Carter campaign is doing in the health area and I'm scared to find out."¹⁰

It seems that our campaigns have become so pure that campaigners either cannot communicate with the voters or else cannot communicate with each other. It is hard to imagine greater infringements on the rights of free speech and free assembly.

Finally, the act also tends to restrain political speech in its own special area—that is, speech about the election act and the Federal Election Commission. In my talks with others who are subjected to the election act, I find that criticism of the act and of the FEC is stronger and more hostile in private than in public. And I find only two explanations for this fact: (1) People who supported the law when it was passed are reluctant to admit that they were wrong; and (2) some people are afraid of retaliation by the Federal Election Commission. The Commission has life-and-death power over political campaigns at the federal level.

To use one example from my own experience: Two years ago, when I was preparing a statement on the election act for submission to this Committee, my group was involved in a compliance proceeding with the Commission. We were negotiating with them over a "conciliation" agreement. We realized that, if there were no agreement, the FEC would probably sue our committee. We still owed about \$175,000 in debts from the 1976 campaign; we could not afford a lawsuit. As I was preparing my statement, it occurred to me once or twice that discretion might be the better part of valor, that it might be wise to tone down strong criticism of the Commission. I decided not to tone it down. And they sued us.

Now, it may be that my statement had no effect whatever on Commission staff. Senator McCarthy testified before this Committee around the same time. It may be that the FEC Commissioners who were waiting to give their testimony, and who heard Senator McCarthy refer to the FEC in uncomplimentary terms, were entirely unaffected by his statement when they voted on whether to sue our committee. But who will ever know?¹¹

THE LAW DISCRIMINATES AGAINST INSURGENT CANDIDATES AND AGAINST ALL CANDIDATES OUTSIDE OF THE MAJOR PARTIES

The principle of equal protection of the laws is not honored in the election act. The act discriminates against insurgent candidates in at least three major ways:

(1) It excludes from the definition of "contribution" the enormous benefits enjoyed by incumbents: presidential and congressional staffs, district offices, departmental and Library of Congress research, taxpayer-supported publicity, and so forth. This is like placing the most-favored horse half a mile down the track before the race begins.

⁸ "A Candidate (and Former Election Official) Views the Federal Election Law and the FEC," *Campaign Practices Reports*, November 29, 1976, pp. 9-10.

⁹ John P. Roche, "Enough of Joyless Campaign Reform," *Washington Star*, November 6, 1976, p. A-11.

¹⁰ Quoted in Walter Pincus, "Independent Committees Aid Carter," *Washington Post*, October 15, 1976, p. A-4.

¹¹ The McCarthy testimony and the Meehan statement appeared in U.S. Senate, Committee on Rules and Administration, hearings on "Federal Election Reform Proposals of 1977," May, 1977, pp. 387-398 and 912-916. The FEC Commissioners voted to sue the Committee for a Constitutional Presidency about one month later.

(2) By limiting individual contributions to \$1,000 per election, the law makes it difficult for anyone running against an incumbent to raise enough money for a serious race. Sometimes it makes it impossible.

(3) By setting the contribution limit for political action committees (PACs) at \$5,000, the law again discriminates against insurgents. PACs give money almost exclusively to incumbents and to challengers who have exceptionally good chances of winning. Long-shot challengers must abide by the \$1,000 limit on individual contributions while their incumbent opponents pick up much larger PAC donations.

One of the worst features of the election act is that its very existence tempts incumbents to tinker with it in such a way as to increase their advantages over challengers.¹² This, I believe, is a far greater danger to our democracy than is monetary corruption. The corruption of money can taint the system; the corruption of power can kill it.

Minority-party candidates are doubly disadvantaged under the election act. Almost all of them are insurgents to begin with. In addition to that, they must run against candidates who are favored—and in some cases subsidized—by the law.

Independent candidates are triply disadvantaged by the election act. The party bias of the act is strong, and seems to become stronger each time the act is amended.

The Democratic and Republican parties are, of course, the major beneficiaries. Their conventions are subsidized, and their presidential candidates are subsidized.

While an individual may contribute only \$1,000 per election to a federal candidate, s/he may contribute as much as \$20,000 to a political party's national committee. When our committee, supporting an independent candidate for President in 1976, requested that the FEC treat it as a national party committee for purposes of the election act, the FEC commissioners deadlocked and thus failed to answer our request for an advisory opinion. The three Democratic Commissioners all voted against us. (This was during the period when the Democratic Party was engaged in a strenuous and ultimately successful effort to throw our candidate off the ballot in New York.) Since the Commissioners failed to meet their legal responsibility to respond to our request, we were left to our own interpretation of the law. We followed it. And in February of 1978, the FEC told us that it had found "reason to believe" that we may have violated the law by accepting over \$1,000 per election from one individual. Over one year later, it is still considering the matter. This is the kind of justice an independent campaign receives from the Federal Election Commission.¹³

When then-Democratic Party chairman Robert Strauss and various Members of Congress were worried about possible prosecution for accepting illegal contributions, the statute of limitations was shortened to accommodate them.¹⁴ When the Republicans wanted to solicit corporate donations to help pay for their national headquarters, the law was amended so they could do so.¹⁵

When the Democrats and Republicans wanted debates between their presidential candidates in 1976, the Federal Election Commission interpreted the law to allow the League of Women Voters Education Fund to spend huge sums for the debates without counting the money as contributions to the Republican and Democratic candidates. More recently, the FEC proposed regulations allowing corporations and labor unions to contribute funds for candidate debates provided that the debates are sponsored by groups like the League.¹⁶ At this writing,

¹² For example, the effort of House Democrats to cripple the Republican fundraising effort for House races in 1978. See *Washington Star*, March 8, 10, 16, 19, 20, and 22, 1978; and *Washington Post*, March 10, 19, and 22, 1978.

¹³ U.S. Federal Election Commission, Minutes for Thursday, October 14, 1976, pp. 4-5. Court battles over McCarthy's ballot status in New York were reported in the *New York Times*, October 9, 27, and 28, 1976; *New York Post*, October 22 and 28, 1976; *Washington Post*, October 30, 1976.

¹⁴ Richard L. Rashke and David H. Rothman, "How Congress Saves Its Own," *The Nation*, January 24, 1976, pp. 77-79; Robert Shogan, "Strauss Admits Possible Slip," *Washington Post*, January 10, 1975, p. A-3; "Strauss Case Held Unlikely Due to Time," *Washington Post*, April 26, 1975, p. A-2; "Strauss Prosecution to Be Dropped," *Washington Post*, June 14, 1975, p. A-2.

¹⁵ "Corporations Help Pay for GOP Headquarters," *Congressional Quarterly Weekly Report*, June 24, 1978, p. 1612.

¹⁶ U.S. Federal Election Commission, Commission Memo No. 828, August 20, 1976, with attached "Policy Statement, Presidential Debates"; *Federal Election Commission Record*, March, 1978, p. 1; *Federal Register*, July 5, 1979, pp. 39348-39351.

neither House of Congress has disapproved the regulations, and the regulations are about to take effect. Perhaps 1980 presidential debates will be brought to us courtesy of Mobil Oil and the maritime unions.

Earlier this year, when submitting its legislative recommendations to Congress, the FEC declared, "Political parties have a central role to play in the political system. Campaign finance legislation must be carefully drafted to bolster the role of political parties in campaign financing . . ." Although it offered no rationale, constitutional or other, for this broad statement, the Commission went on to recommend allowing party committees to spend more money. It did not suggest that non-party committees be allowed to spend more.¹⁷

All of this bolstering of political parties discriminates against independent candidates and against the approximately one-third of American voters who consider themselves independents.¹⁸ Propping up the parties also goes against the general spirit of the Constitution and against the letter of it in the Fourteenth Amendment, which guarantees "equal protection of the laws."

Those who quote the *Federalist Papers* and other writings of the Founding Fathers as opposing "splinter parties" or a multi-party system miss the point entirely. The men who wrote the Declaration of Independence and the Constitution were against *all parties*. They were non-party men, anti-party men; they were independents. Thus on October 2, 1780, John Adams, writing to a friend about the new constitution for Massachusetts, said, "There is nothing which I dread so much as a division of the republic into two great parties, each arranged under its leader, and concerting measures in opposition to each other. This, in my humble apprehension, is to be dreaded as the greatest political evil under our Constitution."¹⁹ And on September 19, 1796, in his Farewell Address, George Washington declared, "I have already intimated to you the danger of parties in the State, with particular reference to the founding of them on geographical discriminations. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party, generally. . . . the common and continual mischiefs of the spirit of party are sufficient to make it the interest and the duty of a wise people to discourage and restrain it."²⁰

THE LAW'S COMPLIANCE PROCEDURES INFRINGE UPON THE DUE PROCESS GUARANTEES

The operations of the Federal Election Commission demonstrate the dangers of combining legislative, executive, and judicial powers in one agency. The FEC serves not only as lawmaker and administrator, but also as judge, jury, and executioner. Some of us who have endured FEC compliance or "conciliation" procedures have felt like victims of a Lewis Carroll creature called Fury:

"I'll be judge,"
I'll be jury,"
Said cunning old Fury:
"I'll try the whole cause,
and condemn you to death."²¹

Or like the King's Messenger, who is "in prison now, being punished; and the trial doesn't even begin till next Wednesday; and, of course, the crime comes last of all." Alice asked, "Suppose he never commits the crime?" And the Queen replied, "That would be all the better, wouldn't it?"²²

By passing an election law which is so complex and so broad in scope, Congress has given the FEC enormous power. Because so many technical violations of the law are possible—and almost inevitable for all but the best-financed campaigns—the FEC has enormous power over every federal campaign in the country. The law is virtually impossible for most campaigns to comply with in every respect, so nearly everyone is "guilty" of technical violations. This ensures a constant flow of FEC form letters demanding amended reports within

¹⁷ U.S. Federal Election Commission, Agenda Document No. 79-25, January 29, 1979, pp. 16-17.

¹⁸ *Gallup Opinion Index*, December, 1977, p. 30. Of those willing to label themselves, far more considered themselves independents (31 percent) than Republicans (20 percent).

¹⁹ John Adams, *The Works of John Adams* (Boston, 1854), vol. 9, p. 511.

²⁰ George Washington, *The Writings of George Washington* (Washington, 1940), vol. 35, pp. 226-227.

²¹ Lewis Carroll, *Alice in Wonderland and Through the Looking Glass* (Kingsport, TN, 1946), p. 28.

²² *Ibid.*, p. 218.

10 days. When reports are not quickly amended, a campaign treasurer receives a follow-up letter saying that the FEC has found "reason to believe" that the campaign may be in violation of the law. A lawsuit is threatened. The result of all this is to create a climate of fear for campaign treasurers. They operate always with the thought that the Feds are looking over their shoulders and may, at any moment, demand more information on any aspect of their campaigns or charge them with violations. And this, I submit, is an outrage. If it goes on for many more years, candidates—even incumbents—will be lucky to find campaign treasurers anywhere.

Many treasurers have to go through investigation and compliance procedures. Although the FEC lawyers are not required to apprise a respondent of the fact, anything he says during an investigation may be used against him if the Commission decides to sue him or to turn the case over to the Justice Department for possible prosecution. During the investigation, the respondent has no right to confront his accusers, to compel production of evidence in his own behalf, or even to present his case directly to the FEC commissioners who will decide it. The respondent and his lawyer—if his campaign can afford to pay a lawyer or can find a volunteer—deal only with FEC staff members. Both facts and legal theories are presented to the FEC commissioners in a General Counsel's report which the respondent and his lawyer do not see beforehand. They have no opportunity to question either its conclusions of fact or its conclusions of law.

The possibility of a "conciliation" agreement is the carrot for respondents. The threat of a lawsuit is the stick. Since many respondents cannot afford a court case, and since some cannot even afford to have a lawyer for the compliance proceeding, they tend to accept whatever the FEC offers by way of "conciliation" agreements. I put the word "conciliation" in quotes because most of the agreements I have read have nothing to do with genuine conciliation, which means "overcoming distrust or hostility" or "winning someone over." Rather, the agreements have to do with closing files on terms that make the FEC's enforcement record look impressive.

The FEC usually insists upon an admission by the respondent that he has violated the law, and often insists on a civil penalty. Many agreements do not even guarantee the respondent that there will be no further action against him.

An incumbent member of Congress, in the unlikely event that he is involved in a serious compliance proceeding at all, may obtain better terms from the FEC. Thus an agreement with Senator James Sasser of Tennessee includes this paragraph: "It is understood that this Agreement does not constitute an admission that Senator Sasser or any employee or advisor of the Campaign Committee violated any provision of FECA. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement."²³

Because financial pressures and fear of adverse publicity lead many respondents to reach "conciliation" agreements, relatively few issues involving the FEC are brought to court. The FEC regularly pushes up to, and sometimes beyond, the limits of its authority. It makes strange interpretations of the election act. Yet, thanks to the compliance procedure set forth in the election act, the FEC is rarely challenged in court. This is ironic because, when it is seriously challenged on enforcement actions, it often loses. Since early March of this year, the Reagan committee, our committee, and the American Federation of State, County and Municipal Employees have defeated the FEC in enforcement cases.²⁴

Many candidates and political committees use the complaint/compliance procedure to harass their opposition. Quite apart from the merits of a case—and often there are no merits—there are two advantages in filing a complaint against a campaign or ideological opponent. First, release of the complaint to the press ensures bad publicity for the opposition. Second, a lengthy investigation and compliance proceeding can cost the opposition a great deal of time and money. And if the proceeding begins just before an election, it can throw the opposition off balance at a crucial time.

Tom Hayden's campaign filed a complaint against John Tunney's campaign—and vice-versa. Ronald Reagan's campaign filed a complaint against Gerald

²³ U.S. Federal Election Commission, Matter Under Review File, MUR 216 (76), "Conciliation Agreement," p. 6.

²⁴ U.S. Federal Election Commission *Record*, May, 1979, p. 2, and June, 1979, p. 6; *FEC v. AFSCME*, U.S.D.C., District of Columbia, C.A. No. 78-2114, Opinion and Order, May 15, 1979.

Ford. The National Abortion Rights Action League filed a complaint against anti-abortion candidate Ellen McCormack. The National Right to Work Committee filed complaints against nearly every labor group and pro-labor candidate in sight. The National Committee for an Effective Congress filed complaints against an affiliate of the National Right to Work Committee, against conservative fundraiser Richard Viguerie, and, more recently, against the Bush, Connally and Reagan campaigns.²⁵

There are at least four things wrong with this. First, it is wrong in principle to encourage political use of what is supposed to be a system of justice. Vigilante activity and bounty-hunting are supposed to be part of our past—not our present. Second, many innocent people are hurt. They are forced to endure lengthy and often expensive investigations of actions that are in no way immoral, actions that have nothing whatever to do with corruption. Third, use of complaints to harass the opposition is a major distraction from the issues. People on all sides of an issue should be responding to each other's arguments—not harassing each other with complaints or trying to prevent each other from organizing politically. Fourth, it demeans the political process to reduce it to a childish game for tattle-tales. The political arena is beginning to resemble a national kindergarten.

In summary, the Federal Election Campaign Act restrains free speech, discriminates against individuals and groups, and denies due process. It also has another major drawback. It does not do what it is supposed to do. A few examples follow.

THE LAW DOES NOT PREVENT CORRUPTION AND DOES NOT REDUCE SPECIAL-INTEREST INFLUENCE

The matching-fund subsidies provided by the law actually encourage a new kind of corruption: giving money in someone else's name in order to make a candidate eligible for more matching funds. This was done on a large scale in the Milton Shapp campaign. There have been five criminal convictions connected with the Shapp case.²⁶ The same type of fraud may have been practiced on a smaller scale for other presidential campaigns; but the Federal Election Commission has shown little zeal in checking allegations to this effect.²⁷ It did, however, investigate the case of a little-known presidential candidate, a taxi cab driver who submitted for matching funds many contributions which had not been made at all. The case was turned over to the Justice Department. The candidate was indicted for fraud, convicted, and is now serving a two-year sentence in federal prison.²⁸

Those who think that public funding eliminated special-interest influence at the presidential level should look closely at the cargo preference bill and the Carter administration's support for that bill.²⁹ And they should look to the "merchandising of access" by the Democratic National Committee.³⁰

Those who think that campaign contributions no longer have anything to do with selection of ambassadors should look to the case of Anne Cox Chambers. Mrs. Chambers and her husband contributed approximately \$52,000 to Democratic party candidates and committees from 1973-1977. President Carter named Mrs. Chambers Ambassador to Belgium.³¹ Mr. Milton A. Wolf and his family contributed over \$49,000 to Democratic candidates from 1974 through 1976. President Carter appointed Mr. Wolf Ambassador to Austria.³² Mr. Marvin L. Warner and

²⁵ U.S. Federal Election Commission, Matters Under Review Files, MUR 065 (75) and MUR 149 (76); MUR 105 (76); MUR 085 (76); MUR 354 (76), MUR 783 (78) through 803 (78), MUR 821 (78) through 844 (78), and MUR 861 (78) through 881 (78); MUR 290 (76), MUR 303 (76); and Fred Barbash, "Fund Violations Laid to Reagan, Connally, Bush Campaigns," *Washington Post*, April 20, 1979, p. A-4.

²⁶ "Shapp Fund-Raising Couple Plead Guilty," *Harrisburg Patriot*, January 6, 1979; "Shapp Campaign Fund Pair Fined," *Harrisburg Patriot*, February 3, 1979; and telephone conversation of the writer with Mr. Craig Donsanto, Public Integrity Section, Criminal Division, U.S. Department of Justice, June 13, 1979.

²⁷ U.S. Federal Election Commission, Matter Under Review Files, MUR 126 (76) and MUR 130 (76).

²⁸ U.S. Department of Justice, Press Release, September 2, 1976; and writer's telephone conversation with Mr. Craig Donsanto, Public Integrity Section, Criminal Division, U.S. Department of Justice, June 13, 1979.

²⁹ Albert Karr, "U.S. Oil Tankers to Get Assurance of Import Share," *Wall Street Journal*, July 7, 1977, p. 2; George Lardner, Jr., "GOP Leaders Assail Carter on Cargo-Preference Stand," *Washington Post*, August 2, 1977, pp. A-1 and A-10.

³⁰ Ward Sinclair, "Merchandising Access," *Washington Post*, March 12, 1979, pp. A-1 and A-4.

³¹ *Congressional Record*, April 27, 1977, p. S 6476.

³² *Ibid.*, June 21, 1977, pp. S 10315-10316.

his family donated over \$57,000 to Democratic candidates and committees from 1973 through 1976. President Carter made Mr. Warner Ambassador to Switzerland.³³

And everyone should look closely at the growth of the political action committees (PACs). That growth has not occurred in spite of the federal election act, but *because* of the federal election act. A provision in the act allows corporations and unions (including government contractors) to subsidize the administrative costs of their PACs. Certainly that provision is largely responsible for the explosion of corporate PACs.³⁴

The election act has not eliminated special-interest influence on elections. Rather, it has changed the way in which that influence is exercised.

THE LAW DOES NOT OFFER GENUINE CHOICES ON PUBLIC FUNDING

Although offered to the public in the guise of a choice, the check-off on the tax form does not offer a genuine choice to taxpayers. A dollar is not refunded to a person who declines to check off. Nor does that person have a chance to designate a dollar for lobbying against public funding. Nor does his "No" vote, even if part of a plurality or majority, have any chance of stopping public funding.

Since all tax dollars—checked off or not checked off—go into the general treasury, part of each tax dollar goes into the presidential campaign fund. The most a "No" vote can do is to decrease the percentage of the dollar that goes to the campaign fund. The only way to ensure that none of one's tax money will go to the campaign fund is to refuse to pay taxes.

Presidential candidates do not have a genuine choice on whether to accept public funding. Early in the 1976 campaign, I asked one of the Reagan aides whether his candidate would accept public subsidies. I had thought that this would be difficult for a conservative Republican who opposes so many forms of government aid. But the Reagan aide, without hesitation, answered that Reagan would take subsidies; that there was no choice. He said that if the Reagan campaign refused subsidies and raised all of its money privately, the Reagan staff would have to spend far more time on fundraising than Ford's people. And he noted that the 20% fundraising allowance was insufficient, especially since direct mail often involved costs as high as 40% of receipts.

There is another strong pressure for presidential candidates to accept public funding. This is the fact that they are subjected to all of the election act's limits, whether or not they take public funds. If they refuse public funds, they must try to raise private money within the contribution limits. And they must file most of the information that a subsidized candidate must file. The "choice" presidential candidates face is one of submitting to a repressive law and receiving no benefits whatever, or submitting and receiving up to \$25 million. That is not a choice at all.

There are at least two ways to give voters a real choice on the tax check-off. One would be to ask each person who votes "Yes" to *add* a dollar to his tax payment (or to refund a dollar to everyone who votes "No"). Another would be to say that there will be no public funding unless a plurality of taxpayers vote for it by checking off. By this test, public funding would have ended a long time ago. Of 1978 tax returns processed through June 3, 1979, 25% voted "Yes" on the check-off question; 43.5% voted "No"; and 31.5% did not answer the question.³⁵

There is an excellent way to give presidential candidates a genuine choice on public funding. You could exempt from the contribution limits and from most reporting requirements every candidate who declines public funding. You could let those who want to exchange their political liberty for money do so, but let the others go free.

³³ *Ibid.*, June 6, 1977, pp. S 8895-8896. On the issue of Carter's diplomatic appointments, see also: Martin F. Herz, "Maxwell Gluck and All That," *Foreign Service Journal*, May, 1978, p. 19 ff.; and Roger Morris, "Diplomatic Spoils," *Harper's*, November, 1978, pp. 69-75.

³⁴ James North, "The Effect: The Growth of the Special Interests," *Washington Monthly*, October, 1978, pp. 32-36; Edwin M. Epstein, "The Emergence of Political Action Committees" in Herbert E. Alexander, ed., *Political Finance* (Beverly Hills, 1979), pp. 159-197.

³⁵ Telephone conversation of the writer with public affairs office, Internal Revenue Service, June 15, 1979.

THE LAW DOES NOT PROVIDE EASILY AVAILABLE INFORMATION TO VOTERS, RESEARCHERS
AND PRESS

The Federal Election Commission is choking on paper, groaning under the sheer volume of it. Reporters and other researchers have to wade through many pages of trivia in order to find useful information in FEC reports. And the large volume involved makes it difficult for the FEC to have available for public inspection all reports that come in just before an election.

The law demands much information that is unnecessary, has no bearing on corruption, and simply adds to the volume of paper. The only parts of disclosure that bear directly on possible conflict of interest or corruption are those relating to contributions and debts. And even in those, the low thresholds for reporting are unreasonable. A threshold of \$500 would be more rational.

Candidates and committees operating below the \$500 level should not be required to report at all. And no one should be required to register with the Commission or designate a campaign committee. That is needless paperwork. The FEC's harassment of candidates for failure to file such papers—which included harassing the late Lar ("America First") Daly on his deathbed—is inexcusable.³⁶

Simplifying the disclosure requirements would result in reports that are far more useful to the public. And it would assure at least some privacy to small contributors and to campaign committees.

There is another reason why the election act is not resulting in all of the useful disclosure its proponents promised the voters: The act's contribution limits work against its disclosure limits. For reasons given elsewhere in this statement, I believe that the contribution limits are unwise and unconstitutional. Beyond that, they really go against nature. Limiting the amounts of money a campaign may solicit is like asking a fine race horse not to run so fast, or telling a major-league baseball player to hit doubles instead of home runs.

No one should be surprised when campaigns and contributors find ways around the contribution limits. Thus the *Wall Street Journal* in 1976 said of a major Carter contributor named Haldis Katerina (Kate) Hertzog that, "Kate Hertzog, political contributor, is five years old." This little fat cat and her seven-year-old brother had each given \$1,000 to the Carter campaign. So had their mother and father and five older Hertzog offspring. The *Journal* story led someone to complain to the FEC, which conducted an investigation and reached a Solomon-like decision: The Carter campaign had to refund contributions to little Kate and to other children who were seven years of age or younger; but children aged 14 or over could contribute.³⁷

The same *Journal* story which reported on the Hertzog's generosity told of a sixteen-year-old in Kentucky who "says he is a true believer in Ronald Reagan, though he sounds surprised to learn that he is listed as a \$1,000 contributor to his favorite candidate." The boy said, "What? Me? Political contributions? You'll have to ask my dad about that. He handles all that stuff for me." ³⁸

Henry Kimelman, who served as finance chairman for Senator Frank Church's 1976 presidential campaign, remarked, "The new fat cat is the guy who can raise \$10,000. He can get \$1,000 each from his wife, his kids, his mistress, and his girl friend." ³⁹

There are several illegal ways to evade contribution limits. I do not know to what extent they are used, but I suspect they are used widely. One way is to transfer money to someone else with the understanding that she will contribute it to a campaign. Another way is to make in-kind contributions which are not reported. The possibilities here are almost endless: Use of a personal or business telephone for long-distance calls on campaign business; use of credit cards for travel on campaign business; use of one's automobile for campaign business; donation of postage stamps; donation of office supplies or machinery. There is no way of stopping this, short of putting all campaign volunteers in a concentration camp.

³⁶ U.S. Federal Election Commission, Matter Under Review Files, MUR 556 (78); "Perennial Candidate Lar Daly Dies at 66," *Chicago Tribune*, April 18, 1978, pp. 1 and 10.

³⁷ Jerry Landauer, "Kiddies Go Crazy Over Carter, Break Open Piggy Banks," *Wall Street Journal*, July 8, 1976, pp. 1 and 27; U.S. Federal Election Commission, Matter Under Review Files, MUR 199 (76).

³⁸ Landauer, *op. cit.*

³⁹ Quoted in Stephen Isaacs, "Fat Cat Out; Fund-Raiser is '76 Hero," *Washington Post*, April 16, 1976, pp. A-1 and A-6.

In other words, people are going to violate a law that limits their freedom to organize politically. And they are not going to report on FEC forms that they are violating the law.

We cannot have it both ways. We can either have a disclosure law that works reasonably well; or we can have a complex regulatory scheme such as the present one, which is not respected, cannot be fully enforced, and leads to widespread under-reporting and mis-reporting.

For all of the reasons outlined above, I urge the Committee to recommend repeal of the Federal Election Campaign Act and to recommend replacing it with a simple disclosure law.

Ralph Winter, one of the attorneys who argued *Buckley v. Valeo* for the plaintiffs, put the case well when he told the Supreme Court, "The greatest campaign reform law ever enacted was the First Amendment . . ." ⁴⁰

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 24, 1979.

HON. CLAIBORNE PELL,
Chairman, Senate Rules and Administration Committee,
Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing a copy of a letter I received from the Hon. Paul Riviere, Secretary of the State of Arkansas, advising me of his concerns regarding current FEC law which requires states to retain multi-candidate political action committee reports for ten and five years.

I wonder if you would be kind enough to review and retain the Secretary's correspondence when the Committee considers this issue.

Thank you for your attention to Mr. Riviere's views, as I am sure they will prove useful in your deliberations.

Sincerely,

ED BETHUNE,
Member of Congress.

Enclosure.

STATE OF ARKANSAS,
OFFICE OF SECRETARY OF STATE,
Little Rock, Ark., June 4, 1979.

HON. ED BETHUNE,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN BETHUNE: Currently, all campaign finance reports are required to be maintained by this office for ten years except those specifically for House of Representatives candidates which may be destroyed after five years. It is my understanding that the Federal Election Commission is proposing to change this to ten years for presidential candidates, seven years for senatorial candidates and five years for House of Representatives candidates.

However, the problem my office has is with multi-candidate political action committee reports. Under either the current or the proposed law, such reports will still have to be maintained for ten years. These reports which come in on a monthly basis are rarely, if ever, used.

I would appreciate your consideration in proposing that multi-candidate political action committee reports be maintained no more than two years by the states. Each candidate must report his contributions from such political action committees anyway; thus, that record would not be destroyed by this proposal.

Sincerely,

PAUL RIVIERE.

⁴⁰ U.S. Supreme Court, Transcript of Oral Arguments in *Buckley v. Valeo*, Nos. 75-436 and 75-437, Washington, D.C. November 10, 1975, p. 31.

LOUIS C. KRAMP AND ASSOCIATES,
Washington, D.C., May 21, 1979.

HON. CLAIBORNE PELL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PELL: Since leaving Congress in 1977, I have talked with thousands of persons in widely disparate audiences, who have participated in our election process. The following suggestions, to improve and simplify our Federal election procedures, were enthusiastically received. Each group urged me to transmit them to you for approval.

Certainly, the proposals may engender debate and some initial wariness, especially by some narrow, special interests which may feel threatened by them.

My objective is to safeguard true representative government and to simplify all the procedures so that more of the electorate will be better informed and encouraged to participate.

I am convinced that the concepts are sound; but, obviously, the ideas will require honing and adaptation to legislative language and form. I am willing to debate the merits with anyone.

These proposals were designed only for Congressional elections, although the ideas could apply beneficially to all elections, with few appropriate exemptions.

I trust that you, or your staff, will consider these proposals and share with me your evaluations—of the merits and the present political or legislative chances. Your usual splendid cooperation and accommodation will be greatly appreciated.

Warm personal regards,

Sincerely,

BURT L. TALCOTT.

Enclosure.

LET'S TRY ELECTION INNOVATION—AND FORGET "REFORM"

The most implicit tragedy of past Federal elections is not the large expenditure of funds, or corruption—but *waste*. The obscene waste of money, time and energy (by candidates and their supporters, by reporters and election officials) plus the exasperation and boredom of voters is an inexcusable calamity.

Our election processes are too long and too complicated. Protracted campaigns and inordinate rules and regulations cause excessive costs, waste, voter disinterest and violations of the law. Prolonged campaigns prolong the process of healing and the resumption of civil relationships after elections.

A little imagination and simpler rules could cure most of our election ills. I offer five suggestions for your study.

1. There is no need to change the *terms* of Federal officials or to reduce the *number* of elections. Elections are a unique means by which we voters may hold our politicians' "feet to the fire;" the more elections, the more responsive and representative our elected officials will be.

The necessary economies can be better achieved by telescoping the periods between the primary and general elections. Our law should *prohibit any Congressional primary election prior to September 15*. Shorter campaigns will reduce the costs and eliminate most of the nagging faults of our present election processes.

Many foreign countries conduct satisfactory elections in 35 to 40 days. Our superior transportation, data processing and communications facilities enable us to perform better in less time. If a candidate cannot "sell" his candidacy in 45 days, he should abandon his political ambitions.

2. The bookkeeping, reporting and auditing of campaign funds are undesirable chores that devour time and resources of political committees and volunteers. Most volunteers now decline to serve as campaign chairman or treasurer because of the latent, but dreaded, exposure to criminal liability. The publication of campaign contributions and expenditures is useful only if fully and promptly reported to the electorate.

To satisfy all interests, *all campaign funds should be deposited with a central government office for counting and reporting*. The "contribution counting" office,

similar to the present "vote counting" office, would certify all contribution information and make daily reports to the public on a prescribed form. The official records and reports of all candidates would then be uniform, reliable and timely.

The function and costs of counting and certifying campaign contributions should be borne by the government—just as the function and costs of counting and certifying votes are now borne by the government.

Prosecutions for record-keeping violations and endless investigations would be almost wholly eliminated. The auditing of President Carter's campaign funds, which has required more than two years under the current procedure, could be accomplished in two days under my suggestion.

Under my plan, volunteer workers would be relieved of the anxiety and burden of massive record-keeping and reporting requirements; and freed for real, productive advocacy.

3. All candidates should be permitted only one campaign committee, one campaign fund and one bank account so that all funds, receipts and payments could be quickly traceable. All campaign disbursements should be made by check only—and the details reported regularly.

4. All ballots should permit a line for "none of the above." This added option would tend to force political parties to field satisfactory candidates. A "write-in" option is usually worthless. A voter should not be restricted to the "lesser of two evils;" the voter should be allowed to positively reject all candidates which they consider unworthy.

5. Most importantly, all campaign contributions from persons residing outside an electoral district should be prohibited. For good reasons, we now scrupulously prohibit all persons residing outside an electoral district from voting in that district. Why then, pray tell, should we permit persons from outside that electoral district (often unknown to the voters of that district) to influence, distort or subvert that vote with huge influxes of money contributions.

True "representative democracy" should be of the people, for the people, by the people and from the people of a particular district. Outside campaign contributions debase our representative form of government. If our "right of choice" is to be based on "candidate qualification" rather than the "highest media hype" or the "highest bid" of wealthy foreign interests, we must restrict outside influences—good and evil.

Why should New York bankers, Houston oil tycoons, Chicago doctors, Washington "preservationists" or Memphis "right-to-lifers" elect or defeat a Congressman from the fourth district of Nebraska or a Senator from South Dakota?

If we permit "at large" contributions and influences, we should logically permit "at large" voting. A local citizen cannot make his or her precious vote count if it is distorted or diluted by outside influences. The sanctity of true representative government must be safeguarded during, and by, the election processes.

The sterile publication of lists of contributions from unfamiliar sources from far away places cannot be readily evaluated by the electorate—sometimes not until after election day. On the other hand, an unusual contribution by an unseemly local citizen would be quickly understood by the voters.

Actually, with a prohibition against outside contributions, we could rescind most limitations on receipts and expenditures because, with full disclosure of receipts and expenditures from citizens of the particular election district, unseemly contributions, in amount or character, would discredit themselves.

If, in the public interest, we can limit the persons who can vote to those who reside within the electoral district, we should, likewise, be able to limit those who can influence that vote without impinging on some perceived indirect right of "free speech."

The whole election process would be simpler, shorter, more open, more democratic, more equitable and less expensive. The quality of the campaigns would be far superior because much of the time, money and energy now devoured in endless record-keeping and reporting could be devoted to the exposition of the issues and the qualifications of the candidates.

It is futile, if not disastrous, to leave "election reform" to the "old Guard," in and out of the Congress, who offer no innovation and simply try again and again to patch up our outmoded, cumbersome and wasteful campaign processes.

[From the Washington Post, July 23, 1979]

DECONTROL OF CAMPAIGNS

Federal campaign "reforms" have had some wonderfully boomeranging effects. Besides lowering a flat iron of regulation onto the process, they have undermined the political parties and strengthened the role of wealthy candidates and organized interest groups. How's that for reform? The rise of political action committees (PACs), advancing all sorts of economic and ideological interests, has been especially swift. PAC gifts to House campaigns alone went from about \$14 million in 1976 to almost \$25 million in 1977-78. According to one count, the number of House candidates getting over \$50,000 from PACs has more than tripled—from 57 in 1976 to 176 (including 106 incumbents) last year.

How should this picture be improved? Some analysts at Harvard University's Institute of Politics have suggested an interesting course—not greater public intervention, but partial decontrol. Their study, commissioned by the House Administration Committee, includes some ideas for deregulation, such as exempting more activities from disclosure rules. But its analysis of campaign financing is intriguing, because it concludes that the best way to limit the influence of interest-group donations is to let political parties and individuals give more.

There is great sense in this. For instance, currently a citizen may give a candidate for federal office no more than \$1,000 per election, one-fifth as much as a PAC may give. That gives a hard-pressed candidate ample reason to concentrate on courting interest groups. It also enhances the advantage of incumbents, who tend to get about two-thirds of the PACs' gifts. Raising the ceiling on individual gifts to perhaps \$3,000, as the Harvard group recommends, could make political competition healthier. The report also calls for larger tax credits for small individual donations, one form of public subsidy that is easy to administer.

The same idea—reducing the imbalance between individual and interest-group gifts—is being pursued by Reps. David Obey (D-Wis.) and Tom Railsback (R-Ill.). They would go at it somewhat differently, by lowering the ceiling on PAC contributions and limiting the total that any candidate may take from PACs. The Harvard analysts, however, reject tighter limits—because they think campaigns should have more money than they do.

The trouble with that is that running for Congress has already become a growth industry, highly larded with itinerant consultants, elaborate advertising campaigns and large investments in the care and feeding of staff. Those tendencies are even creeping into campaigns for local offices and part-time state legislative seats. The trend away from volunteer, low-budget campaigning may be unstoppable, but there is no reason to encourage it.



plaud the action by the Appropriations Committee in adding these funds because the VA health-care system is suffering from serious program reductions that were brought on by the administration's refusal to utilize a \$55 million add-on to the medical care account appropriated by the Congress last year for additional personnel and other necessary expenses.

Neither committee report evidences any intention to provide for the additional personnel and other costs needed to implement Public Law 96-22. This seems due largely to the administration's inexplicable failure to submit, in time for the Senate Appropriations Committee markup of H.R. 4394, a budget amendment for the fiscal year 1980 costs of carrying out the extremely important programs established by Public Law 96-22.

Mr. President, if funds earmarked for Public Law 96-22 are not included in H.R. 4394 when it is enacted, the VA will face a Hobson's choice with respect to implementing the programs provided for the new law. Either it must violate the authorizing law and delay those programs—including the already far too-long delayed readjustment counseling program for Vietnam-era veterans—until a supplemental appropriations bill is enacted, which is not likely to occur until very late in fiscal year 1980; or it must, in contravention of the clear congressional intent expressed in the reports of the Appropriations Committees of both Houses, propose to divert resources appropriated for other purposes in order to carry out these programs.

Therefore, Mr. President, I am submitting this amendment to add an additional \$25.1 million to the VA's medical care account for the specific purpose of funding the 450 additional FTEE's and other related costs associated with the implementation of the Health Care Amendments Act of 1979. This amount, approximately the same amount Mr. White indicated in his letter to the Senator from Wisconsin (Mr. PROXMIRE), is needed to implement Public Law 96-22.

The figure I am proposing, although approximately the same as the administration will apparently request, is aligned somewhat differently. We have included \$3,092,000 in funding for the preventive health-care program, including 104 FTEE's—the amount initially proposed by the VA—and have reduced the dental care add-on from \$5,888,000 to \$2,796,000 in view of the Veterans' Affairs Committee's express intent, in adding the new dental care eligibilities for totally disabled service-connected veterans and ex-POW's, that this care be provided largely by realigning the responsibilities of existing in-house dental staff and with minimal expenditures for fee care.

In proposing to reduce the amount suggested by the Administration as necessary to fund dental treatment for the new eligibles, I believe that the administration's analysis is in error in two ways: First, the number of individuals the Administration believes will seek treatment under this new authority—19,480 out of 122,770 100 percent service-connected

veterans and 8,000 out of 100,000 POWs—appears to be unrealistically low, and, second, the administration's estimate is based on an assumption that all new eligibles would be treated on a contract fee basis, a result clearly at odds with the committee's intent.

Thus, the amount I am proposing would not result in holding the new beneficiaries to such an unrealistically low estimate of those who would take advantage of the new eligibility so long as the provision of the necessary care is accomplished in accord with the recent amendments to section 612 of title 38 made by Public Law 96-22 which should greatly reduce the extent of dental care provided on a contract fee basis. Under my assumptions, less than 10-percent of the new eligibles would be handled on a fee basis and even this amount seems excessive if the criteria governing provision of contract fee care are properly applied as intended by the committee.

Mr. President, I strongly urge all of my colleagues to support this amendment. ●

NOTICES OF HEARINGS

JOINT ECONOMIC COMMITTEE

● Mr. BENTSEN. Mr. President, on Wednesday, August 1, 1979, the Joint Economic Committee will hold a hearing to examine the proposal to establish a regulatory budget. The hearing will also consider the need for a cost effectiveness requirement for major government regulations. The witnesses will include the Honorable George Eads, member of the Council of Economic Advisers; Dr. Robert Crandall of the Brookings Institution; Dr. James Miller of the American Enterprise Institute; and Prof. Arthur Wright of Purdue University, who coauthored an upcoming study for the committee on the regulatory budget. Professor Wright will be accompanied by two other coauthors of the paper, Prof. Christopher DeMuth of Harvard University and Mr. Richard Shackson of the Carnegie-Mellon Institute of Research.

The hearing will begin at 10 a.m. in room 1202 of the Dirksen Senate Office Building. Persons interested in additional information may contact the Joint Economic Committee at 224-5171. ●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources of the Committee on Energy and Natural Resources.

The hearing is scheduled for August 6, 1979, beginning at 9 a.m. in the City Chambers, Las Cruces, N. Mex. Testimony will be heard on the grazing program of the Bureau of Land Management.

For further information regarding the hearing, you may wish to contact Ms. Deborah Merrick at 224-7150.

Those wishing to submit a written statement for the record should write to the Subcommittee on Parks, Recrea-

tion, and Renewable Resources, room 3106 Dirksen Senate Office Building, Washington, D.C. 20510. ●

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

● Mr. LEVIN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management of which I am chairman will conduct oversight hearings on EPA management of its hazardous waste program including implementation of the Resource Conservation and Recovery Act of 1976 on Wednesday, August 1, 1979, at 3 p.m. in room 1224 of the Dirksen Senate Office Building. ●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources will hold a field hearing in New Mexico.

The topic of the hearing will be coal development in New Mexico.

The hearing will commence at 10 a.m. on August 9, 1979, in the lecture room of San Juan College in Farmington, N. Mex. If there are any questions regarding this field hearing please contact Thomas L. Laughlin of the subcommittee staff at 202-224-2564. ●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the sessions of the Senate today, and tomorrow, July 27, to consider pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate today to hold a hearing on trade reorganization legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Practice and Procedure of the Committee on Judiciary be authorized to meet during the session of the Senate today to consider regulatory reform legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today to consider the proposed amendments to the Federal Election Campaign Act and other legislative and administrative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

have extended themselves and they have not been able to extricate themselves, and that they therefore are asking the help of the international community. That means they are asking the United States to pay for their war. It may well be that the international community owes a certain attention to this question. But if the country of Tanzania is going to associate itself with the totalitarian Communist effort to misrepresent and to condemn the relationships between the free peoples of Puerto Rico and the United States, then Tanzania should get its aid from Cuba.

Cuba seems to have an excess of resources, sending its armies here and there around the world to do the bidding of the Soviet Union. Perhaps if it saved on its military activities in Africa, it could provide the deficit which Tanzania needs so desperately to be made up.

The governments of the United Nations should understand that we take democracy seriously; and because they perhaps do not, because perhaps they do not understand it, because perhaps they are violently opposed to it, they should not be allowed to think we consider this resolution anything but an affront to our honor and that we will act accordingly.

The Department of State is capable of doing this, as it demonstrated in 1975; and if the honor of the American people means anything, it will do so again this year.

Mr. President, I ask unanimous consent that I be permitted to include in the RECORD a series of statements from the National Democratic Platform of 1976 and the National Republican Platform of 1976, and statements by President Carter and Ambassador Young concerning the American commitment to self-determination for Puerto Rico.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPENDIX

The proposed concurrent resolution on Puerto Rican self-determination is based upon the following excerpts:

National Democratic Party Platform, 1976: "We are committed to Puerto Rico's right to enjoy full self-determination and a relationship that can evolve in ways that will most benefit U.S. citizens in Puerto Rico . . ."

National Republican Party Platform, 1976: "The principle of self-determination . . . governs our positions . . . on Puerto Rico . . . as it has in past platforms. We again support statehood for Puerto Rico, if that is the people's choice in a referendum, with full recognition within the concept of a multi-cultural society of the citizens' right to retain their Spanish language and traditions . . ."

Question and Answer, Press Conference of President Carter, September 17, 1977:

"Q. Mr. President, I'm from San Juan, Puerto Rico. Buenas tardes.

"The President. Muchas gracias.

"Q. Would you object to a U.N. fact-finding team going to Puerto Rico to look into the idea, the charges that have been raised, that we are a colony of the United States?"

"The President. Yes, I would object to that. I don't have any objection to any analysis of the question, but I think my own statement and the statement of all the leaders of our country that whatever Puerto Rico's people want to do is acceptable to me. If the Puerto Rican people want to be a commonwealth, I will support it. If the Puerto

Rican people want to be a State, I will support it. If the Puerto Rican people want to be an independent nation, I would support it.

"Q. But the U.N. has no jurisdiction?"

"The President. I don't think the U.N. has any jurisdiction. And particularly when this question is raised by Cuba, a government that has no respect for individual freedom or individual liberty and permits no vote of any kind in their own country, to accuse us of trying to subjugate the people of Puerto Rico, to me, is absolutely and patently ridiculous."

Proclamation of President Carter, on the 80th Anniversary of Puerto Rico's association with the United States; Commonwealth of Puerto Rico, July 25, 1978:

" . . . I would like to emphasize that the United States remains fully committed to the principle of self-determination for the people of Puerto Rico. President Eisenhower made that commitment in 1953, and this has been the position of all U.S. administrations since that time. We continue to regard it as the fundamental principle in deciding Puerto Rico's future.

"My administration will respect the wishes of the people of Puerto Rico and your right to self-determination. Whatever decision the people of Puerto Rico may wish to take—statehood, independence, Commonwealth status, or mutually agreed modifications in that status—it will be yours, reached in accordance with your own traditions, democratically and peacefully.

"Governor Romero Barcelo has called for a referendum after the 1980 elections in Puerto Rico to decide Puerto Rico's future status. Should the government of Puerto Rico decide to hold a referendum, I will support, and urge the Congress to support, whatever decision the people of Puerto Rico reach . . ."

Statement of Ambassador Andrew Young, United States Representative to the United Nations, preceding consideration of Puerto Rico's "status as a non-self-governing territory" by the United Nations Committee of 24, August 28, 1978:

" . . . The United States will respect and support the rights of the Puerto Rican people to determine again their political course through a free and democratic referendum. . . Its present relationship with the United States was freely chosen by the people of Puerto Rico."

"Any change in this relationship will also be freely chosen. This has been the position of successive U.S. administrations. . ."

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF HOUSING AND URBAN AFFAIRS APPROPRIATIONS, 1980—H.R. 4394

AMENDMENT NO. 385

(Ordered to be printed and to lie on the table.)

Mr. RANDOLPH (for himself, Mr. CRANSTON, Mr. DURKIN, Mr. THURMOND, Mr. STAFFORD, Mr. HUMPHREY, and Mr. STONE) submitted an amendment intended to be proposed by them, jointly, to H.R. 4394, an act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

AMENDMENT NO. 386

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself, Mr. RANDOLPH, Mr. DURKIN, Mr. MATSUNAGA, Mr. THURMOND, and Mr. STONE) submitted an amendment intended to be proposed by them, jointly, to H.R. 4394, supra.

Mr. CRANSTON, Mr. President, I am today submitting an amendment to H.R. 4394, the Department of Housing and Urban Development-independent agencies fiscal year 1980 appropriations bill to add \$25,096,000 to the Veterans' Administration medical care account. Joining me as cosponsors of the amendment are Veterans' Affairs Committee members, Senators RANDOLPH, DURKIN, MATSUNAGA, THURMOND, and STONE.

Mr. President, I am proposing this amendment to add sufficient funds to cover the fiscal year 1980 costs of implementing the Health Care Amendments Act of 1979 (Public Law 96-22), which was signed by the President on June 13, 1979. Effective October 1, 1979, this new law establishes new programs of readjustment counseling for Vietnam-era veterans and preventive health-care services for certain veterans with service-connected disabilities, expands the VA's alcohol and drug treatment program, and makes certain other improvements in the VA health-care system. The VA, in its fiscal year 1980 budget documents and testimony before the Committee on Veterans' Affairs indicated that 346 additional full-time equivalent employees (FTEE's) would be required in fiscal year 1980 for the new readjustment counseling program alone and would be requested when the authorizing legislation was enacted. The need for these additional personnel and the Administration's intention to request funding specifically for them were confirmed in a June 15, 1979, letter from the Administrator of Veterans' Affairs, to me, which was reprinted at page S7815 of the June 18, 1979, daily edition of the RECORD.

In a July 19, 1979, letter from Mr. John P. White, Deputy Director of the Office of Management and Budget, to the distinguished Senator from Wisconsin and very able chairman of the Appropriations Subcommittee on HUD-Independent Agencies (Mr. PROXMIRE), Mr. White reiterated the administration's intention to submit a budget amendment "very shortly" and stated that "the \$25,000,000 for the Health Care Amendments Act includes funding for an additional 346 FTEE's".

Mr. President, the Appropriations Committee, in its consideration of H.R. 4349, added \$76,380,000 to the President's budget request for the VA's medical care account. I had recommended the addition of that amount; and it is the same amount that was added in the House-passed version of this legislation. However, in adopting this add-on to the VA medical care account, it clearly appears, from the committee's report—Senate Report No. 96-258, at page 78—that the Appropriations Committee intended, as had the House of Representatives, the \$76.4 million add-on to be used for an additional 3,800 FTEE's which the committee, as had the House Veterans' Affairs Committee, found were needed for the VA health care system so as to restore personnel cuts imposed by the administration in fiscal year 1979. It ap-

2137. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during June 1979 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

2138. A letter from the Mayor of the District of Columbia, transmitting the annual report for fiscal year 1978 on the District of Columbia's alcoholism program, pursuant to section 13(a) of the act of August 4, 1947, as amended (82 Stat. 623); to the Committee on the District of Columbia.

2139. A letter from the Secretary of Health, Education, and Welfare, transmitting the family contribution schedules for the basic educational opportunity grant program for academic year 1980-81, pursuant to section 411(a)(3)(A)(ii) of the Higher Education Act of 1965, as amended; to the Committee on Education and Labor.

2140. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 79-11, finding that the sale of defense articles and defense services to the Government of Barbados will strengthen the security of the United States and promote world peace; to the Committee on Foreign Affairs.

2141. A letter from the Acting Assistant Secretary of State for Congressional Relations; transmitting a report on political contributions made by Ambassador-designate James W. Spain, and his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2142. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Thomas J. Watson, Jr., and his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2143. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense articles to the Government of Papua New Guinea, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2144. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Jordan (Transmittal No. 79-62), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2145. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to the United Kingdom (Transmittal No. 79-66) pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2146. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Saudi Arabia (Transmittal No. 79-73), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2147. A letter from the Comptroller General of the United States, transmitting a report reviewing the progress Government agencies have made in obtaining sufficient audit staff, (FGMSD-79-43, July 27, 1979); to the Committee on Government Operations.

2148. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during June 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2149. A letter from the Secretary of the Interior, transmitting a copy of an application by the Lewiston Orchards Irrigation District of Lewiston, Nez Perce County, Idaho, for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

2150. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the Nisqually Tribe judgment funds in docket No. 197 before the Indian Claims Commission, pursuant to sections 2(a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

2151. A letter from the General Counsel of the Department of Energy, transmitting notice of meetings related to the International Energy Program to be held August 7 and 8, 1979, in Paris, France; to the Committee on Interstate and Foreign Commerce.

2152. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13(b) of the act of September 11, 1957, pursuant to section 13(c) of the act; to the Committee on the Judiciary.

2153. A letter from the General Counsel of the Navy, transmitting a report on the investigation of allegations of mismanagement at the Naval Weapons Center, China Lake, Calif., pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

2154. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting revised notice of the proposed reprogramming of funds between various categories of Agency appropriations for fiscal year 1979, pursuant to section 2(c) of Public Law 95-477; to the Committee on Science and Technology.

2155. A communication from the President of the United States, transmitting the energy tax initiatives of his oil import reduction program (H. Doc. No. 96-171); to the Committee on Ways and Means and ordered to be printed.

2156. A letter from the Comptroller General of the United States, transmitting a report on the need for the Department of Agriculture to establish an enforcement and monitoring system to insure that farm cooperatives do not use monopolistic or other unfair trade practices (CED-79-106, July 26, 1979); jointly, to the Committees on Government Operations, Agriculture, and the Judiciary.

2157. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the Selected Reserve training program of the Department of Defense (FPD-79-59, July 30, 1979); jointly, to the Committees on Government Operations and Armed Services.

2158. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the collection of unemployment statistics (GCD-79-79, July 27, 1979); jointly, to the Committees on Government Operations and Education and Labor.

2159. A letter from the Comptroller General of the United States, transmitting a report on passive restraints for automobiles (CED 79-93, July 27, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 5006. A bill to provide assistance to rural water systems in achieving compliance with title XIV of the Public Health Service

Act, and for other purposes; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. BINGHAM (for himself and Mr. WEISS):

H.R. 5007. A bill to amend title 18 of the United States Code to require court orders for trespass incident to legal interception of wire and oral communications; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 5008. A bill to provide for judicial review of administrative determinations made by the Administrator of the Veterans' Administration; to apply the provisions of chapter 5 of title 5, United States Code, to the rules, regulations, and orders of the Veterans' Administration; to provide for the use of a reasonable fee for attorneys in rendering legal assistance to veterans with claims before the Veterans' Administration; and for other purposes; jointly, to the Committees on Veterans' Affairs and the Judiciary.

By Mr. LOWRY:

H.R. 5009. A bill to provide that attorneys fees and other reasonable costs shall be reimbursed to taxpayers who substantially prevail in any proceeding, litigation, or court action which is brought by or against the United States for the determination, collection, or refund of any tax, interest, penalty, or other matter arising under the Internal Revenue Code; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. THOMPSON (for himself, Mr.

BRADENAS, Mr. HAWKINS, Mr. ANNUNZIO, Mr. GAYDOS, Mr. JONES of Tennessee, Mr. MOLLOHAN, Mr. VAN DEERLIN, Mr. MINISH, Mr. DAVIS of South Carolina, Mr. ROSE, Mr. JOHN L. BURTON, Mr. PEYSER, Mr. RATCHFORD, Mr. FAZIO, Mr. DICKINSON, Mr. CLEVELAND, Mr. FRENZEL, Mr. STOCKMAN, Mr. BADHAM, Mr. GINGRICH, Mr. LEWIS, Mr. CAMPBELL, and Mr. LOEFFLER):

H.R. 5010. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; to the Committee on House Administration.

By Mr. McCORMACK:

H.R. 5011. A bill to limit the size of the Conboy Lake National Wildlife Refuge in the State of Washington to certain lands acquired with the consent of the owners, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MOORE:

H.R. 5012. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 5013. A bill to provide for the entry of certain relatives of U.S. citizens and aliens lawfully admitted for permanent residence; to the Committee on the Judiciary.

H.R. 5014. A bill to amend title 18 of the United States Code to prohibit the transportation or use in interstate or foreign commerce of counterfeit, fictitious, altered, lost, or stolen airline tickets; to the Committee on the Judiciary.

By Mrs. SHELLMAN:

H.R. 5015. A bill to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON:

H.J. Res. 384. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school outside the school district in which the student resides; to the Committee on the Judiciary.

By Mr. VENTO:

H.J. Res. 385. Joint resolution 500th Anniversary Celebration Commemorating Christopher Columbus' First Voyage to the Americas; to the Committee on Post Office and Civil Service.

By Mr. APPLIGATE (for himself, Mr. KOGOVSEK, Mr. McDADE, Mr. CARTER, Mr. STAGGERS, Mr. FRENZEL, Mr. WHITTAKER, Mr. BUCHANAN, Mr. MILLER of Ohio, Mr. GOODLING and Mr. CLEVELAND):

H. Res. 392. Resolution to express the sense of the House of Representatives that the United States of America should establish and actively and immediately pursue a national energy plan that emphasizes and demands the use of domestic coal as a means of displacing current foreign energy imports, and for other purposes; jointly to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of California:

H.R. 5016. A bill for the relief of David Roland Weaver; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 5017. A bill for the relief of Simon Stroh; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 473: Mr. EDWARDS of Alabama, and Mr. SHUMWAY.

H.R. 545: Mr. PATTERSON, Mr. BATHAM, Mr. LEVITAS, Mr. CARR, Mr. GINN, Mr. BUCHANAN, Mr. MOTT, Mr. ROBERT W. DANIEL, JR., Mr. MITCHELL of New York, Mr. AMBRO, Mr. GREEN, Mr. PATTEN, Mr. STOKES, Mr. MIKVA, Mr. PRICE, Mr. BLANCHARD, Mr. GEPHARDT, Mr. EVANS of Georgia, Mr. YATRON, Mr. HAGEDORN, Mr. WYATT, Mr. DAN DANIEL, Mr. DORNAN, Mr. HALL of Texas, Mr. DERWINSKI, Mr. JACOBS, Mr. WALKER, Mr. ANDREWS of North Dakota, Mr. MURPHY of Pennsylvania, Mr. HAMILTON, Mr. DEVINE, Mr. WINN, Mr. RUNNELS, Mr. LAGOMARSINO, Mr. WHITEHURST, Mr. McDONALD, Mr. RAHALL, Mr. ZEFERETTI, Mr. KRAMER, Mr. EDWARDS of Oklahoma, Mr. SPENCE, Mr. LOTT, Mr. ROSE, Mr. LEE, Mr. JEFFORDS, Mr. BURGNER, and Mr. APPLIGATE.

H.R. 809: Mr. SABO.

H.R. 811: Mr. CLAUSEN, Mr. CORCORAN and Mr. LUJAN.

H.R. 1677: Mr. DOWNEY, Mr. FLORIO, Mr. LEE, Mr. PETRI, Mr. PRITCHARD, Mr. SABO, Mr. SOLOMON, and Mr. STANTON.

H.R. 2040: Mr. TREEN.

H.R. 2501: Mr. RICHMOND.

H.R. 2759: Mr. EVANS of the Virgin Islands and Mr. HUGHES.

H.R. 2812: Mr. COUGHLIN.

H.R. 3181: Mr. BAILEY and Mr. BETHUNE.

H.R. 3612: Mr. HEFTEL.

H.R. 3958: Mr. CLAUSEN.

H.R. 4055: Mr. TREEN and Mr. EDWARDS of Oklahoma.

H.R. 4265: Mr. MCCORMACK, Mr. YATRON, Mr. SIMON, Ms. MIKULSKI, Mr. PATTERSON, Mr. PATTEN, Mr. TREEN, Mr. BAILEY, Mr. KOSTMAYER, Mr. GILMAN, Mr. SANTINI, Mr. MARLENEE, and Mr. CLEVELAND.

H.R. 4279: Mr. GEPHARDT, Mr. EVANS of Delaware, Mr. MARRIOTT, Mr. CORRADA, Mr. MONTGOMERY, Mr. BEVILL, Mr. DANNMEYER, Mr. BURGNER, Mrs. HOLT, Mr. WHITLEY, Mr. BEDELL, and Mr. DORNAN.

H.R. 4598: Mr. WEISS, Mr. WON FAT, Mr. BOLAND, Mr. VENTO, Mr. LEHMAN, Mr. FLOOD, Mr. YATRON, Mr. SABO, Mr. LAFALCE, Mr. DASCHLE, Mr. STOKES, Mr. DOWNEY, Mr. OTTINGER, Mr. STAGGERS, Mr. LOWEY, Mr. MCCORMACK, Mr. PRITCHARD, Mr. PATTERSON, Mr. CARTER, Ms. FERRARO, Mr. COUGHLIN, Mr. JENNETTE, and Mr. MAGUIRE.

H.R. 4986: Mr. CONYERS, Mr. AKAKA, Mr. TRAXLER, Mr. HEFTEL, Mr. WHITEHURST, Mr. KILDEE, Mr. WEAVER, Mr. DIXON, Mr. BROWN of Ohio, Mr. GAYDOS, Mr. NEAL, Mr. KOGOVSEK, Mr. TRIBLE, Mr. SNYDER, Mr. BURGNER, Mr. SHELBY, Mr. GRAY, Mr. YATRON, Mr. BALDUS, Mr. FAZIO, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. WOLPE, Mrs. SCHROEDER, Mr. DAVIS of Michigan, Mr. THOMPSON, Mr. PRITCHARD, Mr. WIRTH, Mr. SYMMES, Mr. DELUMS, Mr. CLEVELAND, Mrs. HECKLER, and Mr. AMBRO.

H.J. Res. 53: Mr. WINN.

H.J. Res. 161: Mrs. SPELLMAN, Mr. PRITCHARD, and Mr. DICKS.

H.J. Res. 202: Mr. DORNAN, Mr. GRASLEY, and Mr. McDONALD.

H. Res. 36: Mr. TREEN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

183. The SPEAKER presented a petition of the city council, Miami, Fla., relative to the proposed Condominium Act of 1979, which was referred to the Committee on Banking, Finance and Urban Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4034

By Mrs. FENWICK:

—Page 27, add the following after line 24 and redesignate the subsequent subsection accordingly:

“(k) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—The Secretary and the Secretary of State shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate before any license is approved for the export of goods or technology valued at more than \$7,000,000 to any country concerning which the Secretary of State has made the following determinations:

“(1) Such country has repeatedly provided support for acts of international terrorism.

“(2) Such exports would make a significant contribution to the military potential of such country, including its military logistics capability, or would enhance the ability of such country to support acts of international terrorism.”

H.R. 4040

By Mr. CHARLES H. WILSON of California:

—Page 2, line 14, strike out “\$7,813,190,000” and insert in lieu thereof “\$7,384,290,000”.

Page 4, strike out lines 5 through 11 and insert in lieu thereof the following:

Sec. 103. The Secretary of Defense shall provide to the Congress at the earliest practicable date, and not later than the end of the 120-day period beginning on the date of the enactment of this Act, a report on—

—Strike section 810, title VIII of H.R. 4040.

H.R. 4930

By Mr. LAGOMARSINO:

—Page 35, line 2, strike “\$699,377,000,” and insert in lieu thereof “\$701,377,000”.

S. 1030

By Mr. MOORHEAD of California:

—Page 43, after line 11, insert the following new subsection:

“(f) CONGRESSIONAL REVIEW OF STANDEY PLAN.—(1) After promulgation of a standby Federal emergency conservation plan, the Secretary shall transmit such plan to the Congress, together with his findings in support of such plan, in accordance with section 551(b) of the Energy Policy and Conservation Act. Such plan may become effective only if either House of the Congress has not disapproved (or both Houses of Congress have approved) such plan in accordance with the procedures specified in section 551 of such Act.”

EXTENSIONS OF REMARKS

WE STILL NEED TO RESOLVE THE CLINCH RIVER BREEDER REACTOR CONFLICT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

• Mr. BROWN of California. Mr. Speaker, the vote last week against the Fugate-Brown compromise on the Clinch River breeder reactor project will not be the last vote this body will have on this issue. While I do not intend to rehash the issues here, I would like to state that we

will all be called upon to reconsider our positions if a resolution is ever to be reached.

The Los Angeles Times carried an editorial in today's edition which sums up the situation. I urge my colleagues in the House and the Senate to review this item and the issue itself.

The editorial follows:

[From the Los Angeles Times, July 30, 1979]

A BREEDING OF NUCLEAR FUHL—AND TROUBLE

If the House of Representatives had displayed the same vigor in dealing with truly needed energy legislation that it has shown in keeping alive the dangerous, costly and unnecessary Clinch River nuclear project in Tennessee, the country would be better off.

Last week, the House ignored Administration objections and voted to authorize the controversial project, which involves construction of an experimental breeder reactor that would be designed to produce more nuclear fuel than it consumes.

For three years President Carter has been trying to kill the \$2.6 billion project, and for three years the House has refused to sign the death warrant. This is a case where the President is clearly right.

The attraction of breeder reactors is that they would use fuel processed from spent fuel rods taken from conventional nuclear power plants. In the process, they would breed still more fuel. Thus they hold the promise of stretching out world uranium supplies.

Murphy, N.Y.	Rose	Stratton
Murphy, Pa.	Rosenthal	Studds
Murtha	Rostenkowski	Swift
Myers, Ind.	Roth	Synar
Myers, Pa.	Royer	Tauke
Natcher	Runnels	Taylor
Neal	Russo	Thomas
Nedzi	Sabo	Thompson
Nichols	Santini	Traxler
Nolan	Satterfield	Tribie
Nowak	Sawyer	Udall
Oakar	Scheuer	Van Deerlin
Oberstar	Schroeder	Vander Jagt
Obey	Schulze	Vanik
Ottinger	Sebellus	Vento
Panetta	Seiberling	Volkmer
Pashayan	Sensenbrenner	Walgren
Patten	Shannon	Walker
Pease	Sharp	Waman
Pepper	Shelby	Weiss
Perkins	Shumway	White
Petri	Shuster	Whitehurst
Peyster	Skelton	Whitley
Pickie	Smith, Nebr.	Whittaker
Preyer	Snowe	Whitten
Pritchard	Snyder	Williams, Mont.
Pursell	Solarz	Williams, Ohio
Quayle	So'omon	Wilson, C. H.
Quillen	Spence	Wilson, Tex.
Rahal	St Germain	Winn
Raneri	Stack	Wirth
Ratchford	Staggers	Wolpe
Regula	Stangeland	Wyatt
Reuss	Stanton	Wydler
Rinaldo	Steed	Wylie
Ritter	Stenholm	Yates
Robinson	Stewart	Yatron
Rodino	Stockman	Young, Fla.
Roe	Stokes	Zerfetti

NAYS—14

Cheney	Gradison	Mottl
Collins, Tex.	Hansen	O'Brien
Dannmeyer	Jeffries	Paul
Derwinski	Kelly	Stump
Gingrich	McDonald	

NOT VOTING—70

Anderson, Ill.	Fisher	Richmond
Barnard	Flood	Roberts
Blaggi	Fuqua	Rousselot
Bingham	Gephardt	Roybal
Bolling	Gibbons	Rudd
Brademas	Holland	Simon
Broomfield	Holt	Slack
Carter	Hughes	Smith, Iowa
Cavanaugh	Ireland	Spellman
Clausen	Jenrette	Stark
Clay	Leach, La.	Symms
Cleveland	Leland	Treen
Conyers	Levitas	Ullman
Corman	Livingston	Wampler
Cotter	McEwen	Watkins
Courter	Mathis	Weaver
Crane, Daniel	Miller, Calif.	Wilson, Bob
Crane, Philip	Moorhead, Pa.	Wolf
Davis, S.C.	Murphy, Ill.	Wright
Diggs	Nelson	Young, Alaska
Early	Patterson	Young, Mo.
Erdahl	Price	Zablocki
Ertel	Rallsback	
Fenwick	Rhodes	

□ 1330

The Clerk announced the following pairs:

Mr. Brademas with Mr. Anderson of Illinois.
 Mr. Fuqua with Mrs. Fenwick.
 Mr. Early with Mr. Courter.
 Mr. Blaggi with Mr. Young of Alaska.
 Mr. Levitas with Mr. Bob Wilson.
 Mr. Zablocki with Mr. Rallsback.
 Mr. Leland with Mr. Erdahl.
 Mr. Young of Missouri with Mr. Daniel B. Crane.
 Mr. Wright with Mr. McEwen.
 Mr. Nelson with Mr. Rudd.
 Mr. Murphy of Illinois with Mrs. Holt.
 Mr. Wolf with Mr. Smith of Iowa.
 Mrs. Spellman with Mr. Phillip M. Crane.
 Mr. Roberts with Mr. Symms.
 Mr. Simon with Mr. Wampler.
 Mr. Jenrette with Mr. Rousselot.
 Mr. Bingham with Mr. Livingston.
 Mr. Moorhead of Pennsylvania with Mr. Cleveland.
 Mr. Patterson with Mr. Broomfield.
 Mr. Price with Mr. Weaver.
 Mr. Stark with Mr. Fisher.

Mr. Richmond with Mr. Gephardt.
 Mr. Hughes with Mr. Gibbons.
 Mr. Leach of Louisiana with Mr. Watkins.
 Mr. Slack with Mr. Roybal.
 Mr. Ireland with Mr. Holland.
 Mr. Barnard with Mr. Ullman.
 Mr. Corman with Mr. Carter.
 Mr. Cavanaugh with Mr. Davis of South Carolina.
 Mr. Conyers with Mr. Diggs.
 Mr. Clay with Mr. Ertel.
 Mr. Cotter with Mr. Mathis.
 Mr. Miller of California with Mr. Clausen.

Mr. BUTLER changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes."

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE TECHNICAL AND CONFORMING CORRECTIONS IN THE ENGROSSMENT OF H.R. 79

Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask unanimous consent that the Clerk, in the engrossment of the bill, H.R. 79, be authorized and directed to make such changes in section numbers, cross-references, and other technical and conforming corrections as may be required.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. CHARLES H. WILSON)?

There was no objection.

GENERAL LEAVE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include extraneous matter on the bill, H.R. 79.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. CHARLES H. WILSON)?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORT ON H.R. 5010

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a report on the bill, H.R. 5010.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan (Mr. Nedzi)?

There was no objection.

AMENDING INTERNATIONAL BANKING ACT OF 1978 TO EXTEND TIME FOR DEPOSIT INSURANCE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill, S. 1646, to amend the International Banking Act

of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States, and ask for its immediate consideration. The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island (Mr. ST GERMAIN)?

Mr. WYLIE. Mr. Speaker, reserving the right to object, I would ask the distinguished gentleman from Rhode Island to explain for the record why this procedure is necessary.

Mr. ST GERMAIN. Will the gentleman yield?

Mr. WYLIE. I will be glad to yield.

Mr. ST GERMAIN. Mr. Speaker, the International Banking Act was passed in 1978 and among other features it provides for Federal deposit insurance on deposits in foreign banks.

Unfortunately, Mr. Speaker, the regulations were not adopted until July of 1979. The FDIC has communicated to the Congress, to the respective committees on banking of the House and Senate the fact that in order for them to examine the branches of foreign banks, they are in need of additional time. Otherwise they would have to close down as of September 17, 1979.

Mr. Speaker, the bill was passed by the Senate last night and is before us now. It would extend the time to allow the FDIC to perform its examinations of these branches and yet allow them to continue functioning until January 31, 1980.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island (Mr. ST GERMAIN)?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(b) of the International Banking Act of 1978 (Public Law 95-369) is amended by the addition of the following new paragraph:

"Notwithstanding the previous paragraph, a branch of a foreign bank in operation on the date of enactment of this Act which has applied for Federal deposit insurance pursuant to section 5 of the Federal Deposit Insurance Act by September 17, 1979, and has not had such application denied, may continue to accept domestic retail deposits until January 31, 1980."

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1350

CONFERENCE REPORT ON S. 1019, REMOVING PROHIBITIONS RELATING TO UGANDA

Mr. SOLARZ. Mr. Speaker, I call up the conference report on the Senate bill (S. 1019) to amend the International De-

to give these nonprofit agencies the opportunity to use that library rate.

There is a real and legitimate question to be asked. Are these really educational institutions or agencies? In a very real sense, they are. In most cases the agencies I am talking about consist of school board members from that particular school district. They are the ones who form the agencies to make certain that it is directly related to the school district. There would be no postal rate problem if the school district itself were collecting the taxes. The only reason for nonprofit tax agencies to exist is for local government efficiency. The rate should, therefore, be applied to them as well.

The other question that has to arise is, what kind of money are we talking about? At the present time the cost is absolutely negligible because there are only a few dozen of these agencies in the country. If we project it out and every tax were collected by this means, and every taxpayer were assessed through this means, the cost, according to the figures we have developed—and this is the highest maximum cost that there could ever be given present rates—would be about \$5.6 million. But, that is an extremely high estimated figure. But it is the highest possible figure to be figured, because if we divide the cost out on local school districts and use the same kind of rate, it would bring that figure down substantially. So, this is an attempt to give the school districts an option to collect taxes through a nonprofit mechanism of their own, and to do so with the same kind of mechanism the school districts are presently permitted to use.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, what the gentleman is saying in a nutshell is that the Federal Government is going to pay for the collection of local taxes. Is that not it?

Mr. WALKER. What I am saying is that we ought to treat these nonprofit agencies exactly the same as we now treat the school districts.

Mr. KAZEN. Correct, so the Federal Government will pay a subsidy to collect local taxes.

Mr. WALKER. The reason we have to decide it right now is that there is a considerable advantage to the local school districts in order to encourage good education. We have decided that to allow them to use this library rate is a good thing. What my amendment does is extend that same philosophy to these nonprofit agencies.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry that I cannot accept the amendment of the gentleman from Pennsylvania, as we have done in the past two cases. However, we have a situation here where there has been no testimony on this particular subject. In the lengthy hearings we held on this legislation we had no one from any school boards or school districts that

came in and asked for consideration of this particular problem.

We have been trying to find out from the Postal Service if they can estimate a cost per million pieces of mail that might be involved in this, and they are unable to give us a figure. They give us 8 to 8,000 per million pieces, but they say it is a bottomless figure now, and it can be higher than that.

I think this is a case where there is too much at stake without having sufficient information for us to consider. It has not been, as I said before, considered in the committee. There has been no testimony whatsoever on it. I can assure the gentleman that if he would be willing to withdraw his amendment, we will make this a matter of importance at the earliest possible time. I would hope that he will do that.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman. Yes, I will be very glad, on that basis, to withdraw the amendment, and we will try to help provide the information the gentleman may need for that consideration. I would appreciate the committee moving into it.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there other amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NATCHES) having assumed the chair, Mr. DE LA GARZA, Chairman of the Committee of the Whole House or the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 79) to amend title 39, United States Code, to provide that the Chairman of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes, pursuant to House Resolution 386, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 14, not voting 70, as follows:

(Roll No. 452)
YEAS—350

- | | | |
|-----------------|-----------------|-----------------|
| Abdnor | Derrick | Holtzman |
| Addabbo | Devine | Hopkins |
| Akaka | Dickinson | Horton |
| Albosta | Dicks | Howard |
| Alexander | Dingell | Hubbard |
| Ambr | Dixon | Huckaby |
| Anderson, | Dodd | Hutto |
| Calif. | Donnelly | Hyde |
| Andrews, N.C. | Dornah | Ichord |
| Andrews, | Dougherty | Jacobs |
| N. Dak. | Downey | Jeffords |
| Annuazio | Drinan | Jenkins |
| Anthony | Duncan, Oreg. | Johnson, Calif. |
| Applegate | Duncan, Tenn. | Johnson, Colo. |
| Archer | Eckhardt | Jones, N.C. |
| Ashbrook | Edgar | Jones, Okla. |
| Ashley | Edwards, Ala. | Jones, Tenn. |
| Aspin | Edwards, Calif. | Kastenmeier |
| Atkinson | Edwards, Okla. | Kazen |
| AuCoin | Emery | Kemp |
| Badham | English | Kildee |
| Bafalis | Erlenborn | Kindness |
| Bailey | Evans, Del. | Kogovsek |
| Baldus | Evans, Ga. | Kostmayer |
| Barnes | Evans, Ind. | Kramer |
| Bauman | Fary | LaFalce |
| Beard, R.I. | Fascell | Lagomarsino |
| Beard, Tenn. | Fazio | Latta |
| Bedell | Ferraro | Leach, Iowa |
| Bellenson | Findley | Leath, Tex. |
| Benjamin | Fish | Lederer |
| Bennett | Fithian | Lee |
| Bereuter | Flippo | Lehman |
| Bethune | Florio | Lent |
| Bevill | Foley | Lewis |
| Blanchard | Ford, Mich. | Lloyd |
| Boggs | Ford, Tenn. | Loeffler |
| Boland | Forsythe | Long, Ia. |
| Boner | Fountain | Long, Md. |
| Bonior | Powder | Lott |
| Bonker | Prenzel | Lowry |
| Bouquard | Prost | Lujan |
| Bowen | Garcia | Luken |
| Breaux | Gaydos | Lundine |
| Brinkley | Gilmo | Lunnen |
| Brodhead | Gilman | McClary |
| Brooks | Ginn | McCloskey |
| Brown, Calif. | Glickman | McCormack |
| Brown, Ohio | Goldwater | McDade |
| Broyhill | Gonzalez | McHugh |
| Buchanan | Goodling | McKay |
| Burgener | Gore | McKinney |
| Burlison | Gramm | Madigan |
| Burton, John | Grassley | Maguire |
| Burton, Phillip | Gray | Marky |
| Butler | Greer | Marks |
| Byron | Grisham | Marler |
| Campbell | Guarini | Marrlott |
| Carney | Gudger | Martin |
| Carr | Guyet | Matsui |
| Chappell | Hagedorn | Mattox |
| Chisholm | Hall, Ohio | Mavroules |
| Clinger | Hall, Tex. | Mazzoli |
| Coelho | Hamilton | Mica |
| Coleman | Hammer- | Michel |
| Collins, Ill. | schmidt | Mikulski |
| Conable | Hance | Mikva |
| Conte | Hanley | Miller, Ohio |
| Corcoran | Harkin | Mineta |
| Coughlin | Harris | Minish |
| D'Amours | Harsha | Mitchell, Md. |
| Daniel, Dan | Hawkins | Mitchell, N.Y. |
| Daniel, R. W. | Heckler | Moakley |
| Danielson | Hefner | Moffett |
| Daschle | Fettel | Mollohan |
| Davis, Mich. | Hightower | Montgomery |
| de la Garza | Hillis | Moore |
| Deckard | Hinson | Moorhead, |
| Delums | Hollenbeck | Calif. |

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LOTT, at the end of the debate on the Taylor amendment and just prior to the vote on the Courter amendment.

Mr. PRICE, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$1,640.50.

Mr. FORD of Michigan, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$8,685.

Mr. GOLDWATER, prior to the vote on the Taylor amendment to H.R. 79 in the Committee of the Whole today.

Mr. O'BRIEN, to revise and extend his remarks on the Taylor amendment to H.R. 79 in the Committee of the Whole today.

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

- Mr. ASHBROOK in five instances.
- Mr. JOHNSON of Colorado.
- Mr. DERWINSKI in two instances.
- Mr. HAMMERSCHMIDT.
- Mr. COLLINS of Texas in two instances.
- Mr. GOODLING.
- Mr. LEE.
- Mr. KEMP.
- Mr. ABDNOR.

(The following Members (at the request of Mr. LELAND) and to include extraneous matter:)

- Mr. DASCHLE in 10 instances.
- Mr. BOLAND.
- Mr. MOLLOHAN.
- Mr. WAXMAN.
- Mr. BOLLING.
- Mr. LAFALCE in three instances.
- Mr. STUMP.
- Mr. HAMILTON.
- Mr. MCHUGH.
- Mr. FORD of Michigan in two instances.
- Mr. GUARINI.
- Mr. COELHO.
- Mr. DE LA GARZA in 10 instances.
- Mr. BARNES in two instances.
- Mr. BIAGGI in 10 instances.
- Ms. OAKAR.
- Mr. RICHMOND.
- Mr. LELAND.
- Mr. ROSENTHAL.
- Mr. AUCOIN.
- Mr. ROYBAL.
- Mr. BONKER in two instances.
- Mr. ZEFERETTI.
- Mr. WRIGHT.
- Mr. RANGEL.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1454. An act to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code; to the Committees on Armed Services, Merchant Marine and Fisheries, and Ways and Means; and

S. 1515. An act to authorize the striking of

Bicentennial medals; to the Committee on Banking, Finance and Urban Affairs.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on September 5, 1979, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 244. To authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

ADJOURNMENT

Mr. LELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to accordingly (at 2 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until Monday, September 10, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2391. A letter from the Acting Secretary of the Treasury, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2392. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations to implement changes in the operation of the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

2393. A letter from the Chairman, National Commission on Employment and Unemployment Statistics, transmitting the final report of the Commission, entitled "Counting the Labor Force," pursuant to section 13(d) of Public Law 94-444; to the Committee on Education and Labor.

2394. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting notice of a delay in the submission of the report on results of preliminary energy audits by Federal agencies, required by section 527(a) of Public Law 95-619; to the Committee on Interstate and Foreign Commerce.

2395. A letter from the Assistant Secretary of the Army (Civil Works), transmitting an interim Corps of Engineers feasibility report on the extension of the navigation season on the Great Lakes and St. Lawrence Seaway, in partial response to section 107 of Public Law 91-611 (H. Doc. 96-181); to the Committee on Public Works and Transportation and ordered to be printed.

2396. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Buffalo Bayou and tributaries, Texas, in partial response to a resolution of the House Committee on Public Works adopted April 20, 1948 (H. Doc.

96-182); to the Committee on Public Works and Transportation and ordered to be printed.

2397. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the fish and wildlife mitigation plan for the Tensas-Cocodrie Plant, Red River Backwater Area, Tensas Basin, La., pursuant to section 3(c) of the Fish and Wildlife Coordination Act, as amended; (72 Stat. 566) (H. Doc. 96-183); to the Committee on Public Works and Transportation and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS; Committee on Banking, Finance and Urban Affairs. H.R. 4998. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis. (Rept. No. 96-421). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON; Committee on House Administration. H.R. 5010. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; with an amendment (Rept. No. 96-422). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 5208. A bill to amend the Clean Air Act to make certain modifications in provisions relating to automobile emission control devices and fuel additives, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRINKLEY:

H.R. 5207. A bill to amend title 5 of the United States Code to extend entitlements to survivor annuities under the U.S. civil service retirement system to certain children placed in the permanent custody of Federal employees or their spouses, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DASCHLE:

H.R. 5208. A bill to amend the act of December 20, 1944, as amended; to the Committee on Agriculture.

By Mr. DONNELLY:

H.R. 5209. A bill to amend the Internal Revenue Code of 1954 to provide that passive solar energy property will be eligible for the residential energy credit; to the Committee on Ways and Means.

By Mr. FORD of Michigan (by request):

H.R. 5210. A bill to extend and improve the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. FRENZEL:

H.R. 5211. A bill to amend the Internal

Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Ways and Means.

By Mr. GLICKMAN:

H.R. 5212. A bill to amend the Internal Revenue Code of 1954 to allow an individual to establish a tax-exempt trust fund for the support of a handicapped dependent; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 5213. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test in at least 1 year after 1977, to provide that income attributable to services performed before an individual first becomes entitled to old-age insurance benefits shall not be taken into account (after 1977) in determining his or her net earnings from self-employment for purposes of the earnings test, and to assure the payment of benefits accordingly, to make the monthly retirement test available in limited circumstances in the case of certain beneficiaries, to amend the technical requirements for entitlement to medicare, and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. McCloskey, Mr. FURQUA, Mr. WYDLER, Mr. SUDDS, Mr. FRITZCHARD, Mr. FOLSYTHE, Mr. AMBRO, and Mr. WALKER):

H.R. 5214. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. PURSELL (for himself, Mr. ERDAHL, Mr. NOLAN, Mr. DASCHLE, Mr. RICHMOND, Mr. DOWNEY, and Mr. OTTINGER):

H.R. 5215. A bill to condition the approval of Federal highway aid projects in a State on the establishment by that State of a system of identification and penalties for use in reserving parking spaces for motor vehicles used by handicapped individuals; to the Committee on Public Works and Transportation.

By Mr. SEBELIUS:

H.R. 5216. A bill to provide that the cost of inspecting domesticated rabbits slaughtered for human food shall be borne by the United States; to the Committee on Agriculture.

By Mr. WHITTEN:

H.R. 5217. A bill to amend section 431 of the Public Health Service Act to provide funds to the National Institute of Neurological and Communicative Disorders and Stroke for research in the area of regeneration of the spinal cord; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL (for himself, Mr. ZABLOCKI, and Mr. BINGHAM):

H.R. 5218. A bill to amend the Foreign Assistance Act of 1961 to authorize special Caribbean hurricane relief assistance; to the Committee on Foreign Affairs.

which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 262: Mr. CARTER, Mr. HANSEN, Mr. WON PAT, Mr. COUGHLIN, and Mr. ALBOSTA.

H.R. 996: Mrs. SNOWE and Mr. BAFALIS.

H.R. 1918: Mr. OBERSTAR, Mr. MICA, Mr. RUSSO, Mr. HOWARD, and Mr. HUTTO.

H.R. 2209: Mr. COURTER, Mrs. FENWICK, and Mr. MOAKLEY.

H.R. 3227: Mr. DONNELLY, Mrs. SPELLMAN, Mr. EDWARDS of California, Mr. WILLIAMS of Montana, Mr. KOSTMAYER, Mr. VENTO, Mr. DANIELSON, and Mr. CORCORAN.

H.R. 3677: Mr. FAZIO.

H.R. 3792: Mr. WHITEHURST.

H.R. 3958: Mr. OBERSTAR, Mr. FASCELL, Mr. D'AMOURS, Mr. LUJAN, Mr. CORCORAN, Mr. ROE, Mr. MITCHELL of New York, Mr. JEFFORDS, Mr. ANDREWS of North Dakota, and Mr. ABDNOR.

H.R. 4255: Mr. KEMP, Mr. MARKEY, and Mr. NOLAN.

H.R. 4370: Mr. LOEFFLER, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. SEBELIUS, Mr. SAWYER, Mr. CHARLES WILSON of Texas, Mr. LOTT, Mr. LELAND, Mr. GONZALEZ, Mr. BADHAM, Mr. STOKES, Mr. WEDLER, Mr. LUNGREN, Mr. YOUNG of Missouri, Mr. BEDELL, Mr. HINSON, Mr. PICKLE, Mr. FASCELL, Mr. ROUSSELOF, Mr. TREEN, Mr. YOUNG of Alaska, and Mr. CUDGER.

H.R. 4395: Mr. STARK.

H.R. 4523: Mr. DORNAN, Mr. ALBOSTA, and Mr. LOTT.

H.R. 4548: Mr. WHITEHURST.

H.R. 4598: Mr. MURPHY of New York and Mr. NEAL.

H.R. 4631: Ms. FERRARO, Mr. MINETA, Mr. DUNCAN of Oregon, Mr. McFETT, Mr. FAZIO, and Mr. ST GERMAIN.

H.R. 4701: Mr. PETRI.

H.R. 4773: Mr. COURTER.

H.R. 4986: Mr. CHENEY and Mr. WON PAT.

H.J. Res. 343: Mr. BOLAND, Mr. WINN, Mr. HOLLENBECK, Mr. RICHMOND, Mr. DONNELLY, Mr. WHITEHURST, Mr. VAN DERLIN, Mr. CORRADA, Mr. RAHALL, Mr. BUTLER, Mr. EVANS of Indiana, Mr. GUYER, Mr. ROE, Mr. ALBOSTA, Mr. McDONALD, Mr. KAZEN, Mr. LENT, Mr. FRENZEL, Mr. SOLARZ, Mr. FAZIO, Mr. MOAKLEY, Mr. DERRICK, Mr. CONTE, Mr. JENNETTE, Mr. HORTON, Mr. D'AMOURS, Mr. CAVANAUGH, Mr. LAGOMARSINO, Mr. DASCHLE, Mr. BEARD of Rhode Island, Mr. FROST, Mr. GUARINI, Mr. STANGELAND, Mr. LLOYD, Mr. LEACH of Louisiana, Mr. MURPHY of Pennsylvania, Mr. WOLPE, Mr. TRAXLER, Mr. NOLAN, Mr. FLOOD, Mrs. HOLT, Mr. LUNGREN, Mr. MITCHELL of New York, Ms. FERRARO, Mr. WEAVER, Mr. KOSTMAYER, Mr. MICA, Mr. SAWYER, Mr. PATTEN, Mr. STOKES, Mr. DOWNEY, Mr. JEFFORDS, Mr. SIMON, Mr. PEPPER, Mr. YOUNG of Alaska, Mr. FOWLER, Mr. SCHEUER, Mr. LEACH of Iowa, and Mr. COELHO.

H. Con. Res. 83: Mr. BENJAMIN.

H. Con. Res. 138: Mr. CORCORAN.

H. Con. Res. 147: Mr. FITZLAN, Mr. CARNY, Mr. MOTTE, Mr. ROE, Mr. PEPPER, and Mr. MITCHELL of New York.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2727

By Mr. ROSE:

—Page 5, line 21, strike out "1,200,000,000" and insert in lieu thereof the following: "1,250,000,000".

H.R. 4040

By Mr. BEARD of Tennessee:

—Page 17, after line 2, insert the following new title (and redesignate the succeeding title and sections accordingly):

TITLE VIII—CONGRESSIONAL STUDY COMMISSION ON DEFENSE READINESS AND MOBILIZATION CAPABILITY
DEFENSE READINESS AND MOBILIZATION CAPABILITY STUDY

Sec. 801. (a) There is hereby established a commission to be known as the Congressional Study Commission on Defense Readiness and Mobilization Capability (hereinafter in this section referred to as the "commission").

(b) (1) The commission shall conduct a comprehensive study of the current defense mobilization capability of the United States and the current capability of the Armed Forces to sustain forces upon mobilization. Such study shall be based upon the best information available to the United States intelligence community and shall be conducted in light of all foreseeable threats to the national security of the United States and its allies.

(2) The commission shall prepare recommendations based upon the study conducted pursuant to paragraph (1) for such legislative and executive action with respect to the defense mobilization capability of the United States as the commission considers necessary or desirable. In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives or the Senate during the 96th Congress.

(c) (1) The commission shall consist of 24 members, appointed as follows:

(A) The Speaker of the House of Representatives shall appoint 12 members of the commission, nine of whom shall be Members of the House of Representatives and three of whom shall be appointed from among individuals who are not Members of the House of Representatives.

(B) The President pro tempore of the Senate shall appoint 12 members of the commission, nine of whom shall be Senators and three of whom shall be appointed from among individuals who are not Senators.

(2) Members of the commission shall serve for the life of the Commission. A vacancy in the commission shall be filled in the same manner in which the original appointment was made.

(3) The commission shall select a chairman and vice chairman from among its members. If the chairman is a member of either House of Congress, the vice chairman may not be a member of the same House.

(4) For the purposes of this subsection, the term "Member" includes any Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.

(d) The commission shall prepare a report of its findings and recommendations and shall submit such report to the Congress not later than the end of the six-month period beginning on the date of the enactment of this Act.

(e) The commission shall expire thirty days after the filing of its report under subsection (d).

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, Mr. HALL of Texas introduced a bill (H.R. 5219) for the relief of David J. Thomas,

REPORT NO. 96-422
TO ACCOMPANY
H.R. 5010

COMMITTEE
ON
HOUSE ADMINISTRATION

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF
1979

SEPTEMBER 7, 1979.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. THOMPSON, from the Committee on House Administration,
submitted the following

REPORT

[To accompany H.R. 5010]

The Committee on House Administration, to whom was referred the bill (H.R. 5010) to amend the Federal Election Campaign Act of 1971; to make certain changes in the reporting and disclosure requirements of such act, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

BRIEF BILL SUMMARY

The bill would amend the Federal Election Campaign Act of 1971 by simplifying the recordkeeping and reporting provisions, by increasing the role of state and local political parties, by reducing the procedural requirements of the enforcement process and by providing increased opportunity for the respondent to present his or her defense.

A substantial number of changes are made in the recordkeeping and reporting provisions of the Act. The number of candidates who will be required to file reports under the act will be reduced by a change in the definition of the term candidate. Currently, an individual becomes a candidate when he or she receives any contribution or makes any expenditure; the bill establishes a \$5,000 threshold. A candidate who receives less than \$5,000 or spends less than \$5,000 will not incur a reporting obligation.

Under the bill, all of the financial activities of a campaign will be controlled and reported by the candidate's authorized committees; however, the candidate will be able to receive contributions and make expenditures as an agent of his or her authorized campaign committee or committees. Additionally, the name of the candidate must appear in

the name of the authorized committee. Likewise, political action committees will have to include the name of the organization which establishes the committee in their name.

The bill provides that a political committee will no longer be required to have a chairman. Currently, there must be a chairman and a treasurer, although the chairman has no official responsibilities. Further changes are made in the time allowed (10 days) in turning over a contribution to the treasurer and in expanding the types of banking institutions in which a political committee may keep its funds to savings and loan associations and credit unions.

The bill attempts to simplify and standardize the types and amounts of information required to be listed by a committee, both when registering and when reporting. For instance, the information required to be listed on a registration statement is reduced from the present eleven categories to six; deleted are such categories as statement of the disposition of left over funds if the committee disbands, a listing of all State reports required to be filed, a statement as to whether the committee is a continuing one.

The bill substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a two year period.

The bill makes changes in the recordkeeping requirements of the Act. Currently, a treasurer must keep a receipted bill if, during a calendar year, the treasurer made expenditures exceeding \$100 to the same vendor. The bill requires a treasurer to keep a receipt, invoice, or canceled check for each expenditure in excess of \$100.

The new provisions pertaining to political parties allow a State or local committee of a political party to purchase, without limit, campaign materials used in connection with volunteer activities on behalf of a candidate (such as buttons, bumper stickers, and yard signs). This exemption will not apply to costs incurred for media advertising or mass mailings—activities of this type would be subject to the contribution and expenditure limitations of the Act. In addition, a similar exemption would be created to allow State and local party committees to engage in certain voter registration and get-out-the-vote activities on behalf of the nominees of such party for President and Vice President.

Additionally, the bill attempts to reduce reporting obligations for local party committees. Under existing law such committees must register and report if they make contributions or receive expenditures in excess of \$1,000. The bill raises that threshold to \$5,000 for certain party-building “exempted expenditures”.

The bill requires the Commission to respond to a request for an advisory opinion within 60 days instead of a “reasonable time”. During the 60 days immediately preceding an election, a request by a candidate must be answered within 20 days.

The procedural steps of the Commission enforcement process are reduced in the bill. Before taking any action on a complaint filed with it, the Commission must provide the person complained against (respondent) with a copy of the complaint and allow such person five days to demonstrate to the Commission that no action should be taken on the complaint. If the Commission does proceed with an investigation of the matter, the respondent will receive a copy of the general

counsel's brief recommending to the Commission that they find probable cause that the respondent violated the law. The respondent will have 15 days to prepare and file a brief outlining his or her arguments; this brief will be filed with the Commissioners for consideration along with the brief of the general counsel.

The current requirement for disclosure and solicitation statements is modified. The bill provides for one simple statement of authorization on all political solicitations and advertisements, replacing the two statements which are now used in separate situations.

The bill amends sections 602, 603, and 607 of title 18 to comport with existing Justice Department enforcement of these sections. Congressional employees may make a voluntary political contribution to a Member of Congress other than their immediate employer; inadvertent solicitations of congressional employees will not violate the ban on solicitation. Additionally, a contribution received by mail in any Federal building will not be a violation if it is forwarded within 7 days to the appropriate political committee.

Finally, the bill amends the Title 26 provisions pertaining to payments for Presidential nominating conventions. The amount of the entitlement for major parties is increased from \$2,000,000 to \$3,000,000,

PURPOSE OF THE BILL

The purpose of H.R. 5010 is to amend the Federal Election Campaign Act of 1971 to simplify reporting and administrative procedures.

COMMITTEE ACTION

H.R. 5010 was introduced on July 30, 1979, by Mr. Thompson and sponsored by all Members of the Committee. The bill was referred to the Committee on House Administration on July 31, 1979.

The bill was amended by the full committee during mark-up meetings on July 31 and August 1, 1979. H.R. 5010 as amended, was ordered reported on August 1, 1979 by unanimous vote with a quorum present.

INFLATIONARY IMPACT STATEMENT

The enactment of H.R. 5010 is not expected to have an inflationary impact on prices and costs in the operation of the national economy.

COST OF THE LEGISLATION

The bill does not authorize the appropriations of any funds and is expected to have a negligible impact on the cost of operation of the Federal Election Commission. The increase in funding for the Presidential nominating conventions will be paid from the Presidential Election Campaign Fund established under 26 U.S.C. § 9006.

REQUIREMENTS OF RULE XI

There are no oversight findings or recommendations under clause 2(b)(1) of rule X.

No statement was deemed necessary under section 308(a) of the Congressional Budget Act of 1974.

The Committee on Government Operations did not submit a summary of oversight findings and recommendations under clause 4(c) (2) of rule X.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., September 7, 1979.

HON. FRANK THOMPSON, JR.,
*Chairman, Committee on House Administration,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to Section 408 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 5010, the Federal Election Campaign Act Amendments of 1979 as ordered reported by the Committee on House Administration, August 1, 1979.

The bill would simplify and reduce the reporting requirements of candidates and Federal Election Commission administrative procedures required by current law. If this bill is enacted, the number of reports filed is expected to be reduced by approximately 50 percent, resulting in a cost savings of approximately \$50,000 per year. The bill also authorizes an increase of \$1 million in the payment to each national committee of a major political party for a presidential nominating convention. Assuming two major political parties, this would result in increased outlays from the Presidential Election Campaign Fund of \$2 million every four years beginning in 1980.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

Pursuant to clause 7 of Rule XIII, the Committee concurs in the cost estimate submitted by the Congressional Budget Office.

SECTION-BY-SECTION EXPLANATION OF THE BILL

DEFINITIONS

Section 101 of the bill amends section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431). The section is amended as follows:

(1) *Election.* There has been no change in the definition of election. A convention or caucus of a political party which has the authority to nominate a candidate is considered a separate election and, thereby, has separate reporting obligations and contribution limitations. The test is whether the convention or caucus has the authority to nominate, not whether the convention actually nominates. For example, in the state of Connecticut, State law requires the district convention to choose a candidate for nomination as the party-endorsed candidate; if, however, another candidate at the convention receives at least 20 percent of the vote, a primary election is required. Since the district convention has the authority to nominate, it would be consid

ered an election. If a primary is held after the convention, the primary would be considered another, totally separate, election. On the other hand, an endorsing convention like the one held in Minnesota would not be considered an election since its function is to endorse a candidate who will actually be nominated in a subsequent primary.

(2) *Candidate.* The purpose of the change in this definition is to reduce the number of candidates who are required to register and report under the Act. An individual does not become a candidate until he or she has received \$5,000 or spent \$5,000 or a person authorized by the individual receives \$5,000 or spends \$5,000 on behalf of the individual.

When the individual meets the \$5,000 threshold, all funds received prior to that time will be considered contributions and all payments made prior to that time will be considered expenditures and must be listed in the first report by the principal campaign committee designated by the individual in accordance with section 302(e)(1). The limitations on contributions under the Act would become applicable; funds received prior to becoming a candidate which did not meet these would have to be returned.

It is clear intent of the Committee to relieve individuals who do not meet the definition of candidate of any registration and reporting requirements under the Act even if such individuals appear on the ballot. The Commission may wish to notify individuals on the ballot who are not registered or filing reports of the requirements of the Act, but appearance on the ballot no longer creates a presumption that the individual has a registration or reporting obligation.

On the other hand, individuals who do not meet the legal definition of candidate may file reports voluntarily. The Clerk, Secretary, or Commission, as appropriate, must make any report voluntarily filed with it public. However, an individual who is voluntarily filing a report is not subject to the nonfiling provisions of this Act until he or she becomes a candidate. In addition, voluntary filing does not make an individual a "candidate filing under the Act" for other purposes such as the Ethics in Government Act of 1978, as amended (2 U.S.C. § 701 et seq.)

The change in the definition of candidate is not intended to abrogate the Commission's "testing the waters" regulation. See section 100.4(b)(1) and section 100.7(b)(2) of the FEC regulations. The Committee is of the opinion that this regulation recognizes the practical problems which may arise in determining whether an individual will run for Federal office.

(3) *Federal office.* There is no substantive change in this definition.

(4) *Political committee.* Under the revised definition of political committee, all separate segregated funds established by an organization subject to section 316 are considered political committees, irrespective of the amount of contributions received or expenditures made by such committees.

Local committees of political parties also have a separate test for determining when they become political committees under the Act. In keeping with the Committee intent to encourage the participation of local party committees in Federal elections, the definition of political committee establishes a higher threshold for local party committees which engage only in volunteer activities. Accordingly, if

local party committees engage only in these "exempted activities", such as slate cards [301(8)(B)(v)], "buttons and bumper stickers" [301(8)(B)(x)], and registration and get-out-the-vote activities on behalf of Presidential nominees [301(8)(B)(xii)] the threshold for registration and reporting is \$5,000. If, on the other hand, the local party committee makes contributions to candidates or makes expenditures which are not exempted, the registration and reporting threshold is \$1,000.

All other organizations will be required to register and report when they receive contributions of \$1,000 or make expenditures of \$1,000.

An organization which is not a political committee is *not* subject to the recordkeeping provisions of the Act or the requirement for the establishment of a campaign depository. Organizations are prohibited from using funds obtained from national banks, corporations, labor organizations and foreign nationals in connection with a Federal election. However, the bill does not require an organization which is not a political committee to establish a separate account for Federal purposes. Such organizations will, of course, be required to show by reasonable accounting methods that the funds used for Federal election purposes are, in fact, not funds from prohibited sources. It is the opinion of the Committee that the Commission has the authority to require separate accounts only for organizations which are political committees within the meaning of the Act.

(5) *Principal campaign committee.* Although the term is defined for the first time, there is no substantive change in the concept of a principal campaign committee.

(6) *Authorized committee.* The term "authorized committee" is limited to committees which have been authorized by a candidate in accordance with the provisions of section 302(e)(1).

(7) *Connected organization.* The term "connected organization" has been defined to mean the entity, such as a corporation, labor organization, membership organization, cooperative, or corporation without capital stock, which establishes, administers, or financially supports a separate segregated fund under the provisions of section 316. A connected organization may not be another political committee. A political committee must list the name of its connected organization on its statement of organization and in the name of the committee.

The words "directly or indirectly" as used in this definition do not refer to organizations which might be members of the entity which establishes the political committee. For example, if MNO trade association establishes a political committee, the corporate members of MNO trade association who pay membership dues to the trade association would *not* be viewed as directly or indirectly establishing, administering, or financially supporting such political committee. Further, the words "financially supports" do *not* refer to organizations which make contributions to the political committee. Rather, the phrase "financially supports" refers to the entity which, under the provisions of section 316, may pay the establishment, administrative, and solicitation costs of such committee.

(8) *Contribution.* (A) *General Definition.*—The phrase 'by any person' was added to the definition of contribution to incorporate the Commission opinion that the use of appropriated funds of the Federal Government is not a contribution. (The Federal government is also ex-

cluded from the definition of person.) Misuse of appropriated funds is a violation of Federal law and subject to enforcement by other agencies.

The provision in the current Act making a written contract, promise, or pledge a contribution is deleted. Requiring the reporting of pledges led to double reporting and often resulted in inflated contribution figures. By deleting this phrase, pledges will be reported only when the money or goods or services actually have been received by the committee.

The definition of contribution in the current Act includes "funds received by a political committee which are transferred to such committee from another political committee or other source". The Commission currently terms funds going from any type of political committee to another a "transfer", rather than a contribution. The use of the term "transfer" for all activity between political committees has been the source of much confusion. In the interest of clarification, the Committee eliminated this provision in the bill. The change is not substantive. The Committee intends the term "transfer" to be limited to funds flowing between or among affiliated committees, committees authorized by the same candidate, or political party committees regardless of whether such committees are affiliated.

The provision in the current Act relating to legal and accounting services [301(e)(4)/2 U.S.C. Section 431(e)(4)] is moved to section 301(8)(B)(ix).

(B) *Exclusions*.—The term "contribution" does not include the following:

(i) *Voluntary services*. The current provision excluding the value of voluntary services to a candidate or political committee is maintained. The changes are merely stylistic.

(ii) *Residential premises*. The basic exclusion of the value of residential premises and the costs of invitations, food, and beverages voluntarily provided by an individual to a candidate is maintained. A recreation room in an apartment complex where the individual resides would be considered residential premises for the purpose of this exemption. An individual may of course have more than one residence. Also included in this exemption are church and community rooms so long as these facilities are used on a regular basis for social or community purposes.

The amount of the exemption for invitations, food, and beverages is increased from \$500 per election per candidate to \$1,000 per election per candidate. This \$1,000 limitation applies only to the costs of invitations, food, and beverages and does not include any rental value for real or personal property used in connection with the candidate activity.

The bill also extends this exemption to political party committees. Invitations, food and beverages provided by an individual for political party-related activities held on his or her residential premises or in a church or community room are not considered a contribution if the amount does not exceed \$2,000 per calendar year. Costs incurred above this amount are considered contributions to the party committee. The limitation applicable to political party committees is cumulative—an individual may provide \$2,000 per calendar year to *all* political committees of the same party.

(iii) *Vendor exemption.* The current exemption for food and beverages is raised. The vendor's selling price must equal the cost of such items to the vendor, and the cumulative value of the discount for use in a candidate's campaign may not exceed \$1,000 with respect to any one election. Additionally, the exemption is extended to discounts to or on behalf of political party committees not to exceed \$2,000 on behalf of all political committees of the same political party during a calendar year.

(iv) *Travel expenses.* The current exemption was increased to \$1,000 per candidate per election and extended to party committees to the extent the cumulative value of the party-related travel expenses does not exceed \$2,000 per calendar year for all political committees of the same single political party.

The current Act limits the exemption to an individual who "volunteers his personal services". This phrase is deleted in the bill to ensure that individuals who are being paid by a candidate or party committee may take advantage of the exemption.

(v) *Slate card.* There has been no substantive change in this provision. If a State or local party organization prepares a slate card which includes both Federal and State candidates, the party organization may allocate or apportion the costs attributable to all the Federal candidates and the costs attributable to all the State candidates. The portion of the costs attributable to Federal candidates must be paid with funds subject to the prohibitions and limitations of the Act. If, however, the party organization is not a political committee within the definition of this Act, the party organization is not required to establish a separate account for Federal candidates; rather, the party organization must demonstrate by reasonable accounting methods that the money actually used for Federal candidates meets the requirements of Federal law. Money used to pay the costs attributable to State candidates is subject to the prohibitions and limitations of State law. Accordingly, if State law allows the use of treasury funds of a corporation, that money could be used for the State portion, but not for any portion allocable to Federal candidates.

(vi) *316 exemption.* There is no substantive change in this section which exempts activities by corporations and labor organizations which are not expenditures under section 316 (2 U.S.C. section 441b).

(vii) *Loans.* The current exemption which excludes loans made by national or State banks in the ordinary course of business has been extended to other financial institutions. An overdraft is to be considered a contribution subject to the prohibitions and limitations of the Act. Automatic overdraft protection which is subject to definite interest and repayment is for the purposes of this section, a loan exempted from the definition of contributions.

The bill also establishes guidelines for determining when a loan is made in the ordinary course of business. To be exempted, a loan must be evidenced by a written instrument, subject to a due date or amortization schedule, and bear the usual and customary interest rate of the lending institution. If a loan does not meet all of these criteria, it will be considered a contribution by the lending institution.

(viii) *Building funds.* There is no substantive change in this section. The language in the current Act specifically stating that the party committee is required to report the receipt of these funds is deleted.

Such a requirement is not necessary since a political committee is required to report all receipts.

(ix) *Legal and accounting services.* The current exemption for legal and accounting services provided by an individual who is receiving compensation from his or her regular employer is specifically extended to any political committee of a political party. Language is also added in the bill which makes clear that it is the committee receiving the services, not the regular employer or the individual providing the services, which incurs a reporting obligation.

(x) *"Buttons and bumper stickers" etc.* The purpose of this section is to encourage volunteers to work for and with local and State political party organizations. The cost of campaign materials purchased by a State or local party organization which support Federal candidates who have been nominated by a political party are not contributions to the Federal candidates if the campaign materials are used by the State or local party organization in connection with volunteer activities. To be eligible for the exemption, the campaign materials must be purchased by the State or local party committee. Campaign materials purchased by the national committee of a political party and delivered to a State or local party committee would not come within the exemption.

The test for determining volunteer activities is twofold—how the campaign materials are used and by whom. The bill excludes all general public communications or political advertising. Although the bill does give examples of campaign materials which are customarily used in connection with volunteer activities, the purchase of an item on that list does not automatically mean that the cost is exempted. For example, the cost of printing a party tabloid featuring Federal candidates would be exempted if the tabloid were distributed by volunteers at a shopping center or door-to-door. However, if the same tabloid were distributed by a commercial vendor, the cost of the tabloid would not be exempted. Since the purpose is to encourage volunteer participation, distribution by commercial or for-profit operations is not exempted. Payments by the party organization for travel and subsistence or customary token payments by the party organization to individuals does not, however, remove the individual from the volunteer category.

A State or local party organization must use contributions which are subject to the prohibitions and limitations of the Act to pay for these campaign materials. However, if the campaign materials contain reference to both State and Federal candidates, the party organization may allocate the costs between the State and Federal candidates. The money used to pay the cost attributable to State candidates would be subject to State, not Federal law.

Finally, a party organization may not use contributions designated to be spent on behalf of a particular candidate or candidates to purchase campaign materials supporting such designated candidate or candidates. The basic test for determining whether a contribution has been designated is whether the contributor retains control over the funds. Since the purpose of this exemption is to promote party activity, the party, not the contributor, must make the final decision as to which candidate or candidates will receive the benefits.

(xi) *Coattail provision.* Currently, if any candidate for any public office mentions a Federal candidate in any of his or her campaign

literature or advertising, that candidate technically has made a contribution to the Federal candidate, the amount of which is determined by apportioning the cost of the campaign literature or advertising. The new provision corrects this problem. A payment by such candidate for campaign material which includes reference to a Federal candidate will not be considered a contribution to the Federal candidate so long as—

- (1) the payment is made from the candidate's own campaign account;
- (2) the payment is made from funds subject to the limitations and prohibitions of the Act; and
- (3) the payment is used for campaign materials used in connection with volunteer activities and not for general public communication or political advertising.

The Committee considered and rejected a test that the funds be made for the purpose of influencing the election of the candidate making the expenditure. This test was rejected because it was thought to be both too difficult to administer and because it ignored the practical reality of the situation. If a candidate makes an expenditure from his or her campaign account, the possibility that it is not for the purpose of furthering his or her election is remote at best.

The term "direct mail" as used in this provision refers to mailings by commercial vendors or to mailings made from lists which were not developed by the candidate. For example, a mailing by a candidate from a list of contributors to his or her campaign, a list of individuals who had volunteered to work for his or her campaign, or other type of list developed by the candidate would not be considered direct mail.

(xii) *Registration and get-out-the-vote.* This new provision exempts certain voter registration and get-out-the-vote activity conducted by a State or local party organization on behalf of the Presidential and Vice-Presidential nominees. The purpose of this provision is to provide State and local party organizations with means to support Presidential and Vice Presidential nominees since they are prohibited from making contributions if the nominees accept general election public financing. Such prohibitions and limitations do not apply to House and Senate candidates. Accordingly, if a State or local party organization includes House or Senate candidates as well as the Presidential and Vice Presidential nominees, the costs of the activities will have to be apportioned. The costs attributable to the House and Senate candidates would be considered contributions to or expenditures on behalf of such candidates. If the mention of the House or Senate candidate is merely incidental to the overall activity, such incidental mention would not be considered a contribution to or expenditure on behalf of the House or Senate.

The committee recognizes that phone banks are an integral part of legitimate registration and get-out-the-vote efforts. The costs of such phone banks, when paid for out of State or local party funds, when conducted by the State or local party, and when utilizing volunteer workers, are intended to be part of the exemption from "contribution". However, the use of commercial phone organizations or operations is not within the purview of this exemption.

(xiii) *Party fees.* Payments made by a candidate or an authorized committee of a candidate to a political party as a condition of ballot

access is not considered a contribution by the candidate or committee to the political party. Party committees whose only Federal involvement is the receipt of these fees from Federal candidates will not be required to register and report under the Act.

(xiv) *Honorarium*. The current exemption for honoraria is maintained.

(9) (A) *Expenditure: General definition*. The provision in the current Act relating to "funds received by a political committee which are transferred to such committee from another political committee or other source" is deleted for the reasons discussed in the contribution section. The provision relating to legal and accounting services is moved to section (9) (B) (vii).

The phrase 'by any person' was added to the definition of expenditure to incorporate the Commission opinion that the use of appropriate funds of the Federal Government is not an expenditure. Misuse of appropriated funds is a violation of Federal law and subject to enforcement by other agencies.

(B) *Expenditure exemptions*. The corresponding exemptions for volunteer services, residential premises, vendor discounts, and travel expenses were deleted from the bill. Since all of these provisions are specific exemptions to the definition of contribution, exemptions from the expenditure definition are not necessary.

(i) *New story*. There is no change in this provision.

(ii) *Nonpartisan registration and get-out-the-vote*. There is no change in this provision. The current prohibition on the use of corporate or union treasury funds continues unless such drives are jointly sponsored by a corporation, union, or other organization subject to section 316 and an organization which does not endorse candidates or political parties. Drives using corporate or union treasury funds must be conducted by the organization which does not endorse candidates or parties. See *H. Conf. Report 1057*, 94th Congress, 2d Sess. pp. 63-64.

(iii) *Reporting of communication costs*. The bill adds reporting dates. Organizations which incur a reporting obligation under this section will be required to file quarterly reports in an election year and pre-general election reports.

(iv) *Slate card*. There is no change in this corresponding exemption.

(v) *Corporate/labor exemption*. There is no change in this provision.

(vi) *Fundraising cost*. There is no change in this provision.

(vii) *Legal and accounting services*, (viii) *Buttons and bumper stickers*, and (ix) *Presidential registration and get-out-the-vote*. These are exemptions which correspond to exemptions from the definition of contribution.

(x) *Party fees*. The transfer of party fees received from a candidate or authorized committee as a condition of ballot access to another party committee or to the appropriate State official is not considered an expenditure by the party committee making the transfer.

(10) *Commission*. There is no change in this provision.

(11) *Person*. The only change was the specific exclusion of the Federal Government from the definition.

(12) *State*. There is no change in this provision.

(13) *Identification*. The Committee has simplified the definition of identification. Identification means an individual's name, mailing address, occupation and name of employer or, in the case of any other person, the full name and address of such person. An individual's mailing address was substituted for "full address of his principal place of residence" and name of employer was substituted for the "principal place of business".

(14) *National committee*, (15) *State committee*, (16) *Political party*, (17) *Independent expenditure*, and (18) *Clearly identified*. There is no substantive changes in these provisions.

(19) *Act*. The Federal Election Campaign Act Amendments of 1979 were included within the definition of Act.

ORGANIZATION OF POLITICAL COMMITTEES: STATEMENTS

SEC. 103. Section 302 of the Act is amended as follows:

(a) *Requirement for treasurer*. The current provision requiring every political committee to have a chairman is deleted.

(b) *Receipt of contributions*. The current requirement that anyone who receives a contribution must forward the contribution to the treasurer together with the required identification information maintained, but the time period is extended from 5 days to 10 day. The prohibition on the commingling of funds is clarified. No funds of a political committee may be commingled with the personal funds of any individual.

(c) *Recordkeeping*. The bill deletes the current requirement that treasurers keep a "detailed and exact" account of receipts and disbursements. While the Committee stresses the importance of adequate recordkeeping, the Act does not mandate a particular form. Rather, a campaign may use any reasonable accounting procedure.

The requirement for a committee to obtain a receipted bill is dropped. A committee is only required to obtain a receipt, invoice, or canceled check for each disbursement in excess of \$100. There is no aggregation provision for this requirement.

(d) *Preservation of records*. The current Act allows the Commission to determine, by regulation, the length of time records and reports must be kept. The bill establishes a specific time period of 3 years.

(e) *Principal campaign committee*. The requirement for candidates to designate a principal campaign committee is maintained. An individual who has been nominated for the Office of Vice President by a political party does not have to designate a principal campaign committee. However, an individual who is a candidate for the office of Vice President and who is seeking nomination independent of any Presidential candidate will be required to designate a principal campaign committee.

A candidate must designate his or her principal campaign committee, by letter or the appropriate form, no later than 15 days after becoming a candidate. The Commission should, by return mail, send the candidate a registration form for the designated principal campaign committee. The listing of the campaign depository and other formal requirements of section 303 will be done by the principal campaign committee on this registration form.

A candidate may authorize an unlimited number of additional committees to receive contributions or make expenditures on his or her behalf. The designation of these authorized committees must be in writing and filed with the principal campaign committee of the candidate.

A candidate may not designate as an authorized committee any political committee which has in the past supported any other candidate or candidates or any committee which currently supports another candidate or candidates. Contributions received by a candidate or his or her authorized committee in a prior election may be transferred to a committee authorized by such candidate for a different election. National party committees and committees established solely for joint fundraising purposes are an exception and may be designated as authorized committees.

Contributions by an authorized committee of a candidate to an authorized committee of another candidate may be made so long as the contribution or contributions to a single candidate do not exceed \$1,000. Contributions of this type are not considered "support" within the meaning of this section.

Each authorized committee must include the name of its authorizing candidate in the committee name. While the purpose is to require the committee name to identify, clearly and by unambiguous reference, the authorizing candidate, common sense must prevail. In most cases, the use of the last name alone would be sufficient. In rare situations, such as a race with two candidates with the same last name, first names or initials would be necessary. On the other hand, committees which are not authorized may not include the name of a candidate in the name of the committee.

Finally, a separate segregated fund established under the provisions of section 316 must include the name of its connected organization in the name of the committee. For example, if the Widget Corporation has a separate segregated fund known as the "Good Government Club", the corporation must include Widget Corporation in the name of the fund.

Again, although it is the purpose to provide disclosure of the sponsor in the name of the separate segregated fund, reason must prevail. For example, a separate segregated fund established by a corporation which has a number of subsidiaries will not have to include the name of each subsidiary in its name. The name of the principal corporation or commonly known organization will be sufficient. Further, this provision does not prohibit the use of abbreviations or acronyms as long as the official name of the committee is used in all disclosure statements required by section 318.

(f) Filing for authorized committees. This provision clarifies the filing requirements for authorized committees. All authorized committees file with the principal campaign committee of the authorizing candidate. The principal campaign committee must consolidate the reports of authorized committees and file with the appropriate authorities.

(g) Filing place for reports. The Committee retained the requirement for House candidates to file with the Clerk of the House and for Senate candidates to file with the Secretary of the Senate.

(i) *Best Efforts.* The best efforts test is specifically made applicable to recordkeeping and reporting requirements in both Title 2 and Title 26. The test of whether a committee has complied with the statutory requirements is whether its treasurer has exercised his or her best efforts to obtain, maintain, and submit the information required by the Act. If the treasurer has exercised his or her best efforts, the committee is in compliance. Accordingly, the application of the best efforts test is central to the enforcement of the recordkeeping and reporting provisions of the Act. It is the opinion of the Committee that the Commission has not adequately incorporated the best efforts test into its administration procedures, such as the systematic review of reports.

One illustration of the application of this test is the current requirement for a committee to report the occupation and principal place of business of individual contributors who give in excess of \$100. If the committee does not report the occupation and principal place of business for each itemized individual contribution, the Commission's review and enforcement procedures must be geared to determining whether the committee exercised its best efforts to obtain the information. The best efforts test is crucial since contributor information is voluntarily supplied by persons who are not under the control of the committee.

In a situation such as this, the first question is what efforts did the committee take to obtain the information. Did the solicitation contain a clear request for the occupation and principal place of business? If the committee made an effort to obtain the information in the initial solicitation and the contributor ignored the request, the Commission should not require the committee to make the same request two, three, or four times. On the other hand, if the best efforts test is not met, the committee must be required to take corrective action, such as contacting the contributor and requesting the information.

"REGISTRATION OF POLITICAL COMMITTEES: STATEMENTS"

Section 103 of the bill amends section 303 of the Act (2 U.S.C. section 433) as follows:

(a) *Time for filing statements of organization.* Authorized committees are required to file a statement of organization no later than 10 days after they have been designated by a candidate. All other committees file within ten days of becoming a political committee within the definition of this Act.

The filing date shall be considered the date of the postmark if sent by registered or certified mail.

(b) *Contents of statements of organizations.* The information required on the registration statement is reduced from the present eleven categories to six. The requirement to list the type of committee means whether the committee is authorized, a political party committee, or a separate segregated fund.

(c) *Changes in information.* There has been no substantive change in this provision.

(d) *Termination.* There has been no substantive change in this provision.

(e) *Insolvency determination.* This provision was added to provide the Commission with the authority to determine that a committee will not be able to pay its outstanding debts and obligations and, thereby, terminate the committee's reporting obligation.

REPORTS

Section 104 of the bill amends section 304 of the Act (2 U.S.C. 434) as follows:

(a) *Reporting obligation.* (1) Each treasurer of a political committee is required to file reports of receipts and disbursements. Under the current Act, only treasurers of a political committee supporting a candidate or candidates were required to file. The change was made to insure that organizations set up to "draft" individuals who are not actually candidates will be required to report.

(2) *Reporting dates.* The number of reports required of a campaign has been reduced. Candidates are no longer required to file separate reports. All contributions received by a candidate and expenditures made by a candidate must be reported by his or her authorized committee. The candidate acts as an agent of his or her authorized committee. The following schedule for filing reports has been established:

(A) In an election year, committees authorized by House and Senate candidates file quarterly reports, a pre-primary report, a pre-general election report, and a post-general election report. In a nonelection year, such committees file semi-annual reports, due July 31 and January 31.

(B) The Committee determined that it would be a burden to require monthly filing for all Presidential candidates. Accordingly, monthly filing is required in an election year for all authorized committees of a Presidential candidate if the committees have received or anticipates receiving \$100,000 or spent or anticipates spending \$100,000. All other Presidential committees in election years are required to report quarterly. In nonelection years, authorized committees of Presidential candidates may elect to report either quarterly or monthly.

(C) All other political committees may either file monthly in all years *or* in election years, file quarterly pre-primary and pre-general election reports and a post-general report, and in nonelection years, semiannual reports. In addition reports for special elections are for all committees not filing monthly.

(3) *Filing dates.* The current provision establishing the postmark as the date of filing if the designation, report or statement is sent by registered or certified mail is maintained. This provision does not apply to pre-election reports which, if sent by registered or certified mail must be postmarked 15 days before the election.

(4) *Forty-eight hour notifications.* This provision requires notification of contributions of \$1,000 or more received by an authorized committee after the 20th day, but more than 48 hours before, any election. The current Act requires notification for contributions received after the 15th day, but more than 48 hours before, an election. The Committee intends this to be a notification, rather than a report, and, therefore, the signature of the treasurer is not required. This clari-

fication was made to allow a telegram or mailgram to satisfy the requirement. No follow-up letter containing the signature of the treasurer is required. Rather, the contribution must be listed on the next regularly scheduled report.

(5) *Cumulative reporting.* There is no substantive change in this provision.

(6) *Limited waiver of quarterly reporting.* The requirement for a quarterly report is waived if the due date for a pre-election report required to be filed by the committee falls within the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

(7) *Reporting dates for special elections.* Because of the differing State laws, the Commission is given the authority to establish reporting dates for special elections. The Commission must establish the reporting dates within 5 days of the setting of the election by the appropriate State official. Publication of the dates shall include listing in the *Federal Register*. Notification must be given to the principal campaign committee of all candidates in the election and all non-candidate political committees registered with the Commission and filing quarterly reports.

(8) *Reporting by Vice Presidential candidates.* If an individual is seeking nomination for the Office of Vice President independently of a candidate for nomination to the office of President, such candidate shall register and report as a separate committee.

(b) *Contents of Reports.* The Committee made several modifications in the reporting requirements. The separate schedules for the reporting of the proceeds of dinners, rallies, and other fund raising events, sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials have been eliminated. Receipts from this type of activity will be reported as contributions to the appropriate categories.

Under the current Act, contributions from party committees and non-party committees are reported as 'transfers'. The Committee intends for these contributions to be reported on separate lines as contributions. All requirements for separate reports by candidates have been eliminated. Candidate loans or contributions will be reported through the authorized committee on a separate line. If a candidate obtains a loan which he or she, in turn, lends to the authorized committee, the original source of the loan shall be reported by the committee.

In addition, the Committee recognized the current Commission practice of requiring a committee to report all receipts and all disbursements of the committee, rather than limiting reporting to contributions and expenditures as defined in the Act. While the Committee agrees that this "balance sheet" approach is necessary, it believes that the forms should clearly indicate the total amount of contributions received and actual expenditures made during the campaign. The summary sheet on the form should also contain a figure for contributions reduced by any offsets such as contribution refunds and dishonored checks. Likewise, any refunds or rebates should be subtracted from the expenditures.

An example of a summary page for a committee authorized by a Congressional candidate follows:

REPORTING FORM FOR AUTHORIZED COMMITTEES

	Reporting period	Calendar year
RECEIPTS		
14. Contributions:		
(a) Itemized contributions from individuals/persons other than political committees.....		
(b) Unitemized contributions from individuals/persons other than political committees.....		
(c) Total contributions from individuals/persons other than political committees.....		
(d) Contributions from political party committees.....		
(e) Contributions from other political committees.....		
(f) Contributions from the candidate.....		
(g) Total contributions.....		
15. Transfers from affiliated committees.....		
16. Loans:		
(a) Loans made by or guaranteed by the candidate.....		
(b) All other loans.....		
(c) Total loans.....		
17. Offsets to operating expenditures (refunds, rebates, etc.):		
(a) Itemized.....		
(b) Unitemized.....		
(c) Total offsets to operating expenditures.....		
18. Other receipts (dividends, interest, etc.):		
(a) Itemized.....		
(b) Unitemized.....		
(c) Total other receipts.....		
19. Total receipts.....		
DISBURSEMENTS		
20. Operating expenditures:		
(a) Itemized operating expenditures.....		
(b) Unitemized operating expenditures.....		
(c) Total operating expenditures.....		
21. Transfers to affiliated committees.....		
22. Loan repayments:		
(a) Repayment of loans made by or guaranteed by the candidate.....		
(b) Repayment of all other loans.....		
(c) Total loan repayments.....		
23. Offsets to contributions (contributions refunds, etc.):		
(a) Itemized.....		
(b) Unitemized.....		
(c) Total offsets to contributions.....		
24. Other disbursements:		
(a) Itemized.....		
(b) Unitemized.....		
(c) Total other disbursements.....		
25. Total disbursements.....		
NET CONTRIBUTIONS AND OPERATING EXPENDITURES		
26. Total contributions from line 14(g).....		
27. Offsets to contributions from line 23(c).....		
28. Net contributions (subtract line 27 from line 26).....		
29. Total operating expenditures from line 20(c).....		
30. Offsets to operating expenditures from line 17(c).....		
31. Net operating expenditures (subtract line 30 from line 29).....		

The Committee recommends different forms for Presidential committees, Congressional committees and non-candidate committees.

The threshold for itemizing disbursements has been raised from disbursements aggregating in excess of \$100 to disbursements aggregating in excess of \$200. The threshold for itemizing individual contributions remains at an aggregate amount or value in excess of \$100. All loans, guarantees and contributions from political committees will be itemized regardless of amount.

A committee is only required to report the purpose of disbursement in excess of \$200. It is the opinion of the Committee that the purpose requirement will be satisfied by a short statement or description, no more than one or two words in most cases, of why the money was spent. The particulars, i.e., the details, of the disbursement are not required by the statute. Supplying the purpose will provide the public with an overall picture of what the committee's money is spent on without placing an undue burden on the committee treasurer.

The following are examples of reporting of the purpose which the Committee believes meet the standards:

<i>Expenditure</i>	<i>Purpose</i>
Maybell's Diner.....	Dinner expenses.
KMOC-TV.....	Media.
Tim Green.....	Salary.
PQR Corporation.....	Polling.
Ajax Airlines.....	Travel.
Beta Political Party.....	Party fees.
AM Social Club.....	Phone banks.
Tim Green.....	Travel expenses.
Delightful Delectables.....	Catering costs.

Since many types of transactions are common to a number of committees, the Commission may wish to publish examples in the FEC record.

FEDERAL ELECTION COMMISSION

Section 105 amends various provision of the act relating to the Federal Election Commission and makes statutory redesignations as follows:

(1) Section 305 of the act relating to campaign advertising is repealed. The provisions of section 305(a) have been incorporated into section 318, Publication and Distribution of Political Statements, as redesignated by section 105(a)(5) of the bill.

(2) Section 306 of the act regarding Formal Requirements Respecting Reports and Statements is repealed. The provisions of section 306(a) regarding the preservation of reports have been relocated in section 302(d) of the act (section 102 of the bill). The provisions of section 306(d) regarding the date of postmark on reports have been relocated in section 304(a)(5) (section 104 of the bill).

(3) Section 308 of the act regarding campaign depositories is repealed. The provisions of section 308 have been relocated in section 302(h) of the act (section 102 of the bill).

(4) Section 311 of the act regarding annual reports by the Federal Election Commission is repealed. The provisions of section 311 have been relocated in the new section 311(a)(9), Administrative Provisions, as redesignated by section 105(a)(4) of the bill.

(5) Section 318 of the act regarding the prohibition of franked solicitations is repealed.

(6) Section 329 of the act regarding penalty for violations is repealed. The provisions of section 329 have been incorporated into section 309(d), Enforcement, as redesignated by section 105(a)(4) of the bill.

(7) Section 105(a)(2) redesignates section 307 of the act regarding Reports on Convention Financing as section 305.

(8) Section 105(a)(3) redesignates section 309 of the act regarding the Federal Election Commission as section 306.

(9) Section 310 of the act regarding the Powers of the Federal Election Commission is redesignated as section 307.

(10) Section 312 of the act regarding Advisory Opinions is redesignated as section 308 by section 105(a)(4) of the bill.

(11) Section 313 of the act regarding Enforcement is redesignated as section 309.

(12) Section 314 of the act regarding Judicial Review is redesignated as section 310.

(13) Section 315 of the act regarding Administrative and Judicial provisions is redesignated as section 311.

(14) Section 316 of the act regarding Statements Filed with State Officers is redesignated as section 312.

(15) Section 317 of the act regarding Use of Contributed Amounts or Certain Purposes is redesignated as section 313.

(16) Section 319 of the act regarding Authorization of Appropriations is redesignated as section 314 by section 105(a)(5) of the bill.

(17) Section 320 of the act regarding Limitations on Contributions and Expenditures is redesignated as section 315.

(18) Section 321 of the act regarding Contributions or Expenditures by National Banks, Corporations, or Labor Organizations is redesignated as section 316.

(19) Section 322 of the act regarding Contributions by Government Contractors is redesignated as section 317.

(20) Section 323 of the act regarding Publication or Distribution of Political Statements is redesignated as section 318.

(21) Section 324 of the act regarding Contributions by Foreign Nationals is redesignated as section 319.

(22) Section 325 of the act regarding Prohibitions on Contributions in Name of Another is redesignated as section 320.

(23) Section 326 of the act regarding Limitation on Contributions of Currency is redesignated as section 321.

(24) Section 327 of the act regarding Fraudulent Misrepresentation of Campaign Authority is redesignated as section 322.

(25) Section 328 of the act regarding Acceptance of Excessive Honorariums is redesignated as section 323.

POWERS OF THE COMMISSION

Section 106 amends section 307 of the Act relating to the powers of the Federal Election Commission as follows:

(1) Section 307(a)(9) of the Act as redesignated by section 105(3) of the bill is stricken from the Act. This section, which allowed the Commission to formulate general policy with respect to the administration of the Act and Title 26, was deleted to insure that the formulation of general policy is done through the regulatory process which is open to public comment.

(2) Numerous technical and stylistic amendments have been made to section 307 as redesignated. No further substantive change to the existing law is made.

ADVISORY OPINIONS

Section 107 of the bill amends section 308 of the Act, as redesignated by section 105(4) as follows:

(1) Standing to request an advisory opinion is no longer limited to Federal officeholders, Federal candidates, political committees and the national committees of political parties. Under the bill, any person may request an opinion so long as the request relates to a specific transaction or activity which the person requesting the opinion intends to undertake. Advisory opinions may not be issued in response to a request posing a hypothetical situation or to a request regarding the activities of third parties.

(2) The Commission must respond within 60 days of the receipt of a complete written request. If a request is made by a candidate or an authorized committee of a candidate within the 60-day period preceding any election in which such candidate is seeking nomination or election, the Commission must respond to the request within 20 days of the receipt of a complete written request. A 3-3 vote by the Commission on a proposed opinion is considered a response for purposes of the time requirements. A requesting party must, of course, be notified promptly of the 3-3 vote.

The Committee reaffirms its opinion that the advisory opinion process is central to the Commission's responsibility to clarify the Act. The time limit on response has been added to insure that adequate emphasis and resources will be allocated to the opinion process.

(3) In addition to the above-mentioned substantive changes, numerous technical and stylistic changes have been made to this section.

ENFORCEMENT

Section 108 of the bill amends section 209 of the Act, as so redesignated in section 105(4), as follows:

(1) *Complaints.* The Commission is required to notify all persons named in a complaint (which meets all statutory requirements) who have allegedly violated the Act or Title 26. This notification shall be made within 5 days of receipt of the complaint by the Commission and shall, at a minimum, include a copy of the complaint and an outline of Commission compliance procedures. The purpose of this notice is to inform the respondent that a complaint has been filed and of the basic charges against him or her.

The respondent has an opportunity, at this time, to demonstrate to the Commission that no action should be taken against him or her; the respondent is under no obligation to make such a showing. However, the Commission shall not take any action against a respondent, except a vote to dismiss the complaint, until 15 days after the notification. If, for example, the staff recommendation to the Commission is dismissal, the Commission may act upon such a recommendation at any time after the complaint is received. All persons who have been notified should be informed forthwith of any dismissal. If, however, the Commission rejects the staff recommendation of dismissal, the Commission may not proceed to a reason to believe vote until the requisite 15 days

have expired. The Federal Rules of Civil Procedure for time and service shall be applicable.

The provision in the current Act which prohibits the Commission from conducting any investigation or taking any other action solely on the basis of an anonymous complaint is maintained.

(2) *Reason to believe finding.* Section 309(a)(2) incorporates the provision of the current Act which establishes a reason to believe finding that a person has violated the Act or Title 26 as the first step in the compliance process and specifically includes the requirement that the reason to believe finding be made by an affirmative vote of 4 Commission members. The Commission is required to make an investigation, which may include a field investigation or an audit.

(2) *Notification.* The Commission must notify the respondent of a reason to believe finding. The Chairman or Vice Chairman must sign this notification. This is viewed as a ministerial act by the Chairman or Vice Chairman. The preparation of the notification, as well as any investigation or audit ordered by the Commission shall be conducted by appropriate Commission staff.

The Committee has added the requirement that this notification shall include the factual basis for such alleged violation of the Act, i.e., the facts and legal basis upon which the Commission reached its findings. In cases developed on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, a copy of the staff report which shall include the alleged facts and the legal basis for the finding of the Commission, shall be sent to the respondent.

(3) *Exchange of briefs.* The provision in the current Act providing the respondent with an opportunity to demonstrate that no action should be taken against him or her has been formalized. The general counsel must notify the respondent of his or her intent to recommend a probable cause finding to the Commission. This notification shall include a brief setting forth the law and facts which support the position of the general counsel. The respondent has 15 days to file a response with the Secretary of the Commission who shall provide copies of all briefs to the Commissioners prior to any further consideration of the matter.

(4) *Conciliation agreements.* The finding of reasonable cause to believe by the Commission with respect to conciliation agreements has been deleted. Section (4)(A)(i) substitutes a probable cause to believe finding by the Commission. The required conciliation period of at least 30 days follows the probable cause to believe finding. The bill establishes a 90-day conciliation period. If the probable cause finding is made within 45 days of any election in which the respondent is involved, the minimum period for conciliation is reduced from 30 days to 15 days.

Section (4)(B) has been revised to make clear that any actions taken by the Commission or persons involved in the conciliation process or any information derived as a result of any conciliation attempt may not be made public by the Commission without the written consent of the respondent and a vote of 4 members of the Commission. The Commission may not make public the outcome of a conciliation attempt which was unsuccessful or any proposed conciliation agreements which were not signed by the respondent or the Commission.

(5) *Civil penalties.* Section (5) (A) retains the current provision of the Act which permits the Commission to include a civil penalty in a conciliation agreement in an amount which may not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation.

Section (5) (B) is also a provision in the current Act. It allows the Commission to impose a civil penalty in a conciliation agreement if the Commission believes that there is a knowing and willful violation of this Act or Title 26. The civil penalty may not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved. The Committee deleted the requirement in the current Act that the Commission make a finding of "clear and convincing proof". The Committee intent is not to reduce the standard for a knowing and willful violation. Rather, it did not think the "clear and convincing proof" element was meaningful.

Section (5) (C) of the bill incorporates the language in section 303(5) (D) of the current Act regarding referral of knowing and willful violations to the Attorney General.

(6) *Civil actions.*

A. Section (5) (D) of the bill incorporates portions of section 303(a) (7) of the current Act. The other provisions of section 313(a) (7) are contained in section (6) (C) of the bill.

B. Section (6) (A) of the bill incorporates section 313(a), (5) (B) of the current Act.

C. Section (6) (B) of the bill incorporates section 313(a) (5) (C) of the current Act.

D. Section 6(C) of the bill incorporates portions of section 313(a) (7) of the current Act. The reference to "clear and convincing proof" was deleted as unnecessary.

(7) *Subpoenas.* Section (7) of the bill incorporates section 313(a) (8) of the current Act.

(8) *Private actions for relief.* Sections (8) (A) and (B) incorporate provisions of section 313(a) (9) of the current Act. This section permits any party to file a petition with the U.S. District Court for the District of Columbia if the party is aggrieved by an order of the Commission either (1) dismissing a complaint filed by the party or (2) by a failure of the Commission to act on such a complaint during the 120-day period beginning on the date the complaint is filed. The 120-day period is an extension of the current 90-day period. Any petition filed in the case of a dismissal must be filed within 60 days after the date of the dismissal. The provision of the Act which required a petition in the case of a failure to act to be filed within 60 days from the alleged failure act has been deleted. Section (8) (C) incorporates the provisions of section 313(a) (9) (C).

(9) *Civil and criminal contempt.* Section (10) of the bill incorporates the provisions of section 313(a) (12).

(10) *Disclosure of information.* Sections 11 (A) and (B) incorporate the provisions of section 313(a) (3) (B) and (C) which prohibit the Commission or any other person from making any notification or investigation public without the written consent of the person receiving the notification or the person under investigation. The bill extends the confidentiality provision to a complaint filed under this

section. This prohibition attaches only upon the actual filing of the complaint with the Commission.

(11) *Procedures for nonfilers.* Section 309(b) modifies the provisions of the current Act pertaining to the publication of the names of political committees which fail to file required pre-election reports. Any person who has failed to file a quarterly report as required in section 304(a)(2)(A)(iii) in any calendar quarter immediately preceding an election or any pre-election report filed in accordance with section 304(a)(2)(A)(i) is subject to the procedures in this section. The Commission is required to notify the person of the failure to file the required reports. If no satisfactory response is received within 4 business days after the notification, the Commission is required to publish the name of the person and list the report which was not filed. The publication by the Commission must be made before the election.

(12) *Reports by Attorney General.* Section 309(c) remains the same with respect to the requirement of the Attorney General to report to the Commission regarding apparent violations referred to the Attorney General by the Commission. The authority of the Commission to prepare and publish reports relating to the status of such referrals is removed.

(13) *Penalty for violations.* Section 309(d) incorporates the penalty provisions of Section 328 of the Act. The threshold for knowing and willful violations was raised to \$2,000.

ADMINISTRATIVE PROVISIONS

Section 109 amends the administrative responsibilities of the Federal Election Commission as follows:

(1) Section 311(a)(4) of the Act as redesignated by Section 105(a)(4) of the bill is amended to permit persons to copy the name and address of any political committee for the purpose of soliciting contributions from such committee. This exception would apply to a commercial vendor who compiles the name and address of political committees for the purpose of selling the names of the committees.

The prohibition on the copying and use of the names and address of individual contributors is maintained. Adequate procedures must be established by any agency or organization, including State agencies, which maintain these reports and statements to insure proper public notice of this prohibition. The Committee agrees with an advisory opinion of the Commission which allows a political committee to give a list of the names and addresses of its contributors to another political committee for the purposes of solicitation. Advisory Opinion 1979-3.

The bill also adds a provision which allows a committee to "salt" the reports it files under the Act as a means of determining whether the names and addresses of its contributors are being used illegally. A committee which wishes to exercise this option must submit a separate list of the pseudonyms (no more than 10 per report) along with the report.

This list shall not be made part of the public record and shall be maintained *only* by the Commission. Any other entry point, such as the Clerk of the House or the Secretary of the Senate, shall not make these lists part of their public or private records and shall transmit

such lists directly to the Commission. A committee is not required to file a list of pseudonyms with the Secretary of State.

(2) Section 311(a)(6) requires the Commission to maintain and revise monthly a list of all multicandidate committees. The purpose of this listing is to inform candidates which political committees may make contributions under the limits of section 315(a)(2) as redesignated.

(3) Section 311(a)(7) requires the Commission to publish periodic lists of authorized committees which fail to file reports. The current provision which requires the Commission to publish a list of candidates who have filed properly was deleted as unnecessary.

(4) The provision requiring the transmission of yearly reports from the Commission to the President and the Congress has been moved to section 311(a)(9) and the due date changed to June 1.

(5) Section 311(a)(10) redefines the responsibilities of the Commission to serve as a clearinghouse. The scope is changed from the broad category of the administration of elections to the administration of the Act and the compilation and administration of State campaign finance and election disclosure laws. Studies made under this provision shall be made available to the public at cost sufficient to cover the costs of production and printing. Federal officers and Federal agencies shall not be considered part of the general public.

(6) The Commission may audit any multicandidate committee or any Presidential candidate committee at random. The Commission shall give priority to audits of Presidential committees receiving payments under Title 26. All other audits must be conducted under the provisions of the enforcement section.

(7) Section 311(c) exempts the Commission from the provisions of section 3512 of Title 44, United States Code which requires independent Federal regulatory agencies to submit all forms and information gathering practices to the Comptroller General for review in order to prevent duplication of efforts and minimize burdens. Since all Commission forms must be submitted to the Congress, the Commission is exempted from this requirement.

(8) Forms, which must be submitted to the Congress for review, are subject to a 15 legislative day period. For purposes of computing the tolling of legislative days, a continuous session is broken only by an adjournment sine die or by an adjournment for a period of more than three days. If only one House is in session, that day will be counted unless the other House has adjourned for more than three days. If the Commission submits any amendment to a proposed regulation pending before either House, the legislative days for the proposed regulations as amended will begin on the date of the submission of the amendment.

(9) The Committee added a new provision which specifically allows persons to rely upon a regulation prescribed by the Commission in accordance with the requirements of this section. A person who relies upon such regulations in good faith will not be subject to subsequent enforcement action.

(10) The provisions of existing law pertaining to the point of entry for reports and statements have been transferred to section 302(g).

(11) In addition to the above mentioned substantive changes, numerous technical and stylistic amendments have been made to section

311, as redesignated. The changes reflect no substantive changes to existing law or practice.

STATEMENT FILED WITH STATE OFFICERS

Section 110 of the bill amends section 312 of the Act as redesignated by section 105(a)(4), as follows:

(1) The requirement for committees of Presidential candidates to file reports pertaining to the general election with any Secretary of State has been eliminated. Multicandidate committees and other non-candidate committees are only required to file with a Secretary of State that portion of their report which relates to a candidate seeking election in that State. Secretaries may dispose of any additional portion of a report which is filed. Further, Secretaries are only required to keep candidate committee reports for two years and to keep all other reports through April 30th of the calendar year following the calendar year in which the report was filed. All of these provisions were added to alleviate the burden on Secretaries of State.

(2) In addition to the above mentioned substantive changes, technical and stylistic amendments have been made.

PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

Section 115 of the bill amends section 318 of the Act, as so redesignated in section 105(a)(5):

The disclaimer requirements under the Act have been modified. Section 305(b) of the Act has been deleted. As a result, political committees are no longer required to state, "a copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission" on its solicitations. Under the bill, solicitations and political advertisements must include who paid for the solicitation or advertisement and whether or not it was authorized by a candidate.

The provision in section 305(a) of the current Act prohibiting newspapers and magazines from changing authorized committees more than the rate for comparable use is moved to this section.

MISCELLANEOUS AMENDMENTS TO TITLE 18, UNITED STATES CODE

Section 202(a)(1) of Chapter 29 has been amended by striking section 591. This is the definitional section relating to, "Elections and Political Activities". It is the intent of the Committee that the definitions of the Federal Election Campaign Act, as amended, be controlling whenever the provisions of Title 18 impact on federal elections and political activity.

Section 602 has been amended to only prohibit the solicitation of political contributions by federal employees from other federal employees. The provision prohibiting receipt of contributions by federal employees has been eliminated.

In order for a solicitation to be a violation of this section, it must be actually known that the person who is being solicited is a federal employee. Merely mailing to a list will no doubt contain names of federal employees is not a violation of this section.

Section 603 has been amended to allow voluntary contributions from federal employees to other federal employees. If, however, the individual is employed by a Senator, Representative, or Delegate or Resident Commissioner to Congress that employee cannot contribute to his or her employer although voluntary contributions to other Members of Congress would be allowed. An individual employed by a congressional committee cannot contribute to the chairman of that particular committee. If the individual is employed by the minority that individual cannot contribute to the ranking minority member of the committee or the chairman of the committee.

Section 607 is amended to exempt contributions received by mail in any federal building or facility from the prohibitions of this section. Provided, the solicitation of the contribution was not made from a federal facility and the contribution is delivered to the appropriate political committee within seven days of receipt.

MISCELLANEOUS AMENDMENTS TO TITLE 26

Section 306 of the bill increases the amount available to the national committees of major parties for their Presidential nominating conventions from \$2,000,000 to \$3,000,000.

EFFECTIVE DATES

The effective date for these amendments is upon enactment.

In the case of Presidential committees section 304(b) is effective for elections occurring after January 1, 1981.

The Committee recognizes that many Presidential committees have their computer systems in place and to require a change would be both unnecessary and burdensome. However, those Presidential committees may utilize the new reporting section at their discretion.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

FEDERAL ELECTION CAMPAIGN ACT OF 1971

* * * * *

TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

* * * * *

[DEFINITIONS

[SEC. 301. When used in this title and title IV of this Act—

[(a) "election" means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party which has authority to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, and (4) a primary election held for

the expression of a preference for the nomination of persons for election to the office of President;

[(b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

[(c) "Federal office" means the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

[(d) "political committee" means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;

[(e) "contribution"—

[(1) means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of—

[(A) influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party, or

[(B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

[(2) means a written contract, promise, or agreement, whether or not legally enforceable, to make a contribution for such purposes;

[(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

[(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose, except that this paragraph shall not apply in the case of legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, nor shall this paragraph apply in the case of legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of insuring compliance with the provisions of this Act or chapter

95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported in accordance with the requirements of section 304(b); but

[(5) does not include—

[(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

[(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

[(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor;

[(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

[(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

[(F) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of section 321(b), would not constitute an expenditure by such corporation or labor organization;

[(G) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loans—

[(i) shall be reported in accordance with the requirements of section 304(b); and

[(ii) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors; or

[(H) a gift, subscription, loan, advance, or deposit of money or anything of value to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of de-

fraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office, except that any such gift, subscription, loan, advance, or deposit of money or anything of value, and any such cost, shall be reported in accordance with section 304(b); or

[(I) any honorarium (within the meaning of section 328);

to the extent that the cumulative value of activities by any person on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;

[(f) "expenditure"—

[(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

[(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of presidential and vice-presidential elector; or

[(B) influencing the results of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

[(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure;

[(3) means the transfer of funds by a political committee to another political committee; but

[(4) does not include—

[(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

[(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

[(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office, except that the costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported to the Commission;

[(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities if the cumulative value of such activities by such individual on behalf of any candidate to not exceed \$500 with respect to any election;

[(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate if the cumulative amount for such individual incurred with respect to such candidate does not exceed \$500 with respect to any election;

[(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office;

[(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

[(H) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of section 321(b), would not constitute an expenditure by such corporation or labor organization;

[(I) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 320(b), but all such costs shall be reported in accordance with section 304(b);

[(J) the payment, by any person other than a candidate or political committee, of compensation for legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, or the payment for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of insuring compliance with the provisions of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a

person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported under section 304(b); or

[(K) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loan shall be reported in accordance with section 304(b);

[(g) "Commission" means the Federal Election Commission;

[(h) "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons;

[(i) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States;

[(j) "identification" means—

[(1) in the case of an individual, his full name and the full address of his principal place of residence; and

[(2) in the case of any other person, the full name and address of such person;

[(k) "national committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission;

[(l) "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission;

[(m) "political party" means an association, committee, or organization which nominates a candidate for election to any Federal office, whose name appears on the election ballot as the candidate of such association, committee, or organization;

[(n) "principal campaign committee" means the principal campaign committee designated by a candidate under section 302(e)(1);

[(o) "Act" means the Federal Election Campaign Act of 1971 as amended by the Federal Election Campaign Act Amendments of 1974 and the Federal Election Campaign Act Amendments of 1976;

[(p) "independent expenditure" means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate or any authorized committee or agent of such candidate and which is not made in concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

[(q) "clearly identified" means that (1) the name of the candidate appears; (2) a photograph or drawing of the candidate appears; or (3) the identity of the candidate is apparent by unambiguous reference.]

DEFINITIONS

SEC. 301. When used in this Act:

(1) *The term "election" means—*

(A) *a general, special, primary, or runoff election;*

(B) *a convention or caucus of a political party which has authority to nominate a candidate;*

(C) *a primary election held for the selection of delegates to a national nominating convention of a political party; and*

(D) *a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.*

(2) *The term "candidate" means an individual who seeks nomination for election, or election, to Federal office, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—*

(A) *if such individual has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000; or*

(B) *if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of \$5,000 or has made such expenditures aggregating in excess of \$5,000.*

(3) *The term "Federal office" means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.*

(4) *The term "political committee" means—*

(A) *any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar; or*

(B) *any separate segregated fund established under the provisions of section 316; or*

(C) *any local committee of a political party which receives contributions aggregating in excess of \$5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301(8) and (9) aggregating in excess of \$5,000 during a calendar year, or makes contributions aggregating in excess of \$1,000 during a calendar year or makes expenditures aggregating in excess of \$1,000 during a calendar year.*

(5) *The term "principal campaign committee" means a political committee designated and authorized by a candidate under section 302(e)(1).*

(6) *The term "authorized committee" means the principal campaign committee or any other political committee authorized by a candidate under section 302(e)(1) to receive contribution or make expenditures on behalf of such candidate.*

(7) *The term "connected organization" means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee.*

(8) (A) The term "contribution" includes—

(i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

(ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

(B) The term "contribution" does not include—

(i) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee;

(ii) the use of real or personal property, including a church or community room used on a regular basis by members of a community for non-commercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an individual to any candidate or any political committee of a political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of such invitations, food, and beverage provided by such individual on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

(iii) the sale of any food or beverage by a vendor for use in any candidate's campaign or for use by or on behalf of any political committee of a political party at a charge less than the normal comparable charge, if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activity by such vendor on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

(iv) any unreimbursed payment for travel expenses made by any individual on behalf of any candidate or any political committee of a political party, to the extent that the cumulative value of such activity by such individual on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

(v) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to any cost incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

(vi) any payment made or obligation incurred by a corporation or a labor organization which, under section 317(b), would not

constitute an expenditure by such corporation or labor organization;

(vii) any loan of money by a State bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, other than any overdraft made with respect to a checking or savings account, made in accordance with applicable law and in the ordinary course of business, but such loan—

(I) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors;

(II) shall be made on a basis which assures repayment, evidenced by a written instrument, and subject to a due date or amortization schedule; and

(III) shall bear the usual and customary interest rate of the lending institution;

(viii) any gift, subscription, loan, advance, or deposit of money or anything of value to a national or a State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office,

(ix) any legal or accounting services rendered to or on behalf of—

(I) any political committee of a political party if the person paying for such services is the regular employer of the person rendering such services and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

(II) an authorized committee of a candidate or any other political committee, if the person paying for such services is the regular employer of the individual rendering such services and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

(x) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided, That—*

(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

(xi) the payment by a candidate for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising): Provided, That such payments are made from contributions subject to the limitations and prohibitions of this Act.

(xii) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: Provided, That—

(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspapers magazine, billboard, direct mail or similar type of general public communication or political advertising;

(2) such payments are made from contributions subject nated to be spent on behalf of a particular candidate or

(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates;

(xiii) payments made by a candidate or the authorized committee of a candidate as a condition of ballot access and payments received by any political party committee as a condition of ballot access; and

(xiv) any honorarium (within the meaning of section 441i of this title.)

(9) (A) The term "expenditure" includes—

(i) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office; and

(ii) a written contract, promise, or agreement to make an expenditure.

(B) The term "expenditure" does not include—

(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

(ii) nonpartisan activity designed to encourage individuals to vote or to register to vote;

(iii) any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Fed-

eral office, except that the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if such costs exceed \$2,000 for any election, be reported to the Commission in accordance with section 304(a)(4)(A)(i), and in accordance with section 304(a)(4)(A)(ii) with respect to any general election;

(iv) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

(v) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

(vi) any costs incurred by an authorized committee or candidate in connection with the solicitation of contributions on behalf of such candidate, except that this clause shall not apply with respect to costs incurred by an authorized committee of a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b), but all such costs shall be reported in accordance with section 304(b);

(vii) the payment of compensation for legal or accounting services—

(I) rendered to or on behalf of any political committee of a political party if the person paying for such services is the regular employer of the individual rendering such services, and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

(II) rendered to or on behalf of a candidate or political committee if the person paying for such services is the regular employer of the individual rendering such services, and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

(viii) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided, That—*

(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

(ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee primarily on behalf of nominees of such party for President and Vice President: *Provided, That—*

(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

(2) such payments are made from contributions subject to the limitations and prohibitions of this Act;

(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and

(x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or to the appropriate State official.

(10) The term "Commission" means the Federal Election Commission.

(11) The term "person" includes an individual, partnership, committee, associations, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.

(12) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

(13) The term "identification" means—

(A) in the case of any individual, the name, the mailing address, and the occupation of such individual as well as the name of his or her employer; and

(B) in the case of any other person, the full name and address of such person.

(14) The term "national committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

(15) The term "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.

(16) The term "political party" means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

(17) The term "independent expenditure" means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

(18) The term "clearly identified" means that—

(A) the name of the candidate involved appears;

(B) a photograph or drawing of the candidate appears; or

(C) the identity of the candidate is apparent by unambiguous reference.

(19) The term "Act" means the Federal Election Campaign Act of 1871 as amended by the Federal Election Campaign Act Amendments of 1874, the Federal Election Campaign Act Amendments of 1876, and the Federal Election Campaign Act Amendments of 1979.

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer thereof. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution in excess of \$50 for a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, render to the treasurer a detailed account thereof, including the amount of the contribution and the identification of the person making such contribution, and the date on which received. All funds of a political committee shall be segregated from, and may not be commingled with any personal funds of officers, members, or associates of such committee.

(c) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

(1) all contributions made to or for such committee;

(2) the identification of every person making a contribution in excess of \$50, and the date and amount thereof and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any);

(3) all expenditures made by or on behalf of such committee; and

(4) the identification of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds

\$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the Commission.

[(e) (1) Each individual who is a candidate for Federal office (other than the office of Vice President of the United States) shall designate a political committee to serve as his principal campaign committee. No political committee may be designated as the principal campaign committee of more than one candidate, except that the candidate for the office of President of the United States nominated by a political party may designate the national committee of such political party as his principal campaign committee. Except as provided in the preceding sentence, no political committee which supports more than one candidate may be designated as a principal campaign committee. Any occasional, isolated, or incidental support of a candidate shall not be construed as support of such candidate for purposes of the preceding sentence.]

[(2) Notwithstanding any other provision of this title, each report or statement of contributions received or expenditures made by a political committee (other than a principal campaign committee) which is required to be filed with the Commission under this title shall be filed instead with the principal campaign committee for the candidate on whose behalf such contributions are accepted or such expenditures are made.]

[(3) It shall be the duty of each principal campaign committee to receive all reports and statements required to be filed with it under paragraph (2) of this subsection and to compile and file such reports and statements, together with its own reports and statements, with the Commission in accordance with the provisions of this title.]

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

(b) Every person who receives a contribution for a political committee, shall, no later than 10 days after receiving the contribution, forward to the treasurer the contribution, the name and address of the person making the contribution (if the amount of the contribution is in excess of \$50), and the date of receipt of the contribution. All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

(c) The treasurer of a political committee shall keep an account of—

(1) all contributions received by or on behalf of such political committee;

(2) the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person;

(3) the identification of any person who makes a contribution or contributions aggregating more than \$100 during a calendar year, together with the date and amount of any such contribution;

(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution;

(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of \$100.

(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed.

(e) (1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with subsection (f) (1).

(2) Any candidate described in paragraph (1) who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this title, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

(3) (A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

(i) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee; and

(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

(B) As used in this section, the term "support" does not include a contribution by any authorized committee in amounts of \$1,000 or less to an authorized committee of any other candidate.

(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

(5) The name of any separate segregated fund established pursuant to section 316(b) shall include the name of its connected organization.

(f) (1) Notwithstanding any other provision of this title, each designation, statement, or report of receipts or disbursements made by an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under para-

graph (1) and shall compile and file such designations, statements, and reports in accordance with this title.

(g) (1) Designations, statements, and reports required to be filed under this title by a candidate or by an authorized committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and by the principal campaign committee of such a candidate, shall be filed with the Clerk of the House of Representatives, who shall receive such designations, statements, and reports as custodian for the Commission.

(2) Designations, statements, and reports required to be filed under this title by a candidate for the office of Senator, and by the principal campaign committee of such candidate, shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

(3) The Clerk of the House of Representatives and the Secretary of the Senate shall forward a copy of any designation, statement, or report filed with them under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

(4) All designations, statements, and reports required to be filed under this title, except designations, statements, and reports filed in accordance with paragraphs (1) and (2), shall be filed with the Commission.

(5) The Clerk of the House of Representatives and the Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311 (a) (4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311 (a) (5).

(h) (1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

(2) A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c) (5).

(i) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

[REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

[SEC. 303. (a) Each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall file with the Commission a statement of organization, within ten days after its organization or, if later, ten days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of \$1,000. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Commission at such time as it prescribes.

[(b) The statement of organization shall include—

- [(1)** the name and address of the committee;
- [(2)** the names, addresses, and relationships of affiliated or connected organizations;
- [(3)** the area, scope, or jurisdiction of the committee;
- [(4)** the name, address, and position of the custodian of books and accounts;
- [(5)** the name, address, and position of other principal officers, including officers and members of the finance committee, if any;
- [(6)** the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;
- [(7)** a statement whether the committee is a continuing one;
- [(8)** the disposition of residual funds which will be made in the event of dissolution;
- [(9)** a listing of all banks, safety deposit boxes, or other repositories used;
- [(10)** a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and
- [(11)** such other information as shall be required by the Commission.

[(c) Any change in information previously submitted in a statement of organization shall be reported to the Commission within a ten-day period following the change.

[(d) Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall so notify the Commission.

[(e) In the case of a political committee which is not a principal campaign committee, reports and notifications required under this section to be filed with the Commission shall be filed instead with the appropriate principal campaign committee.]

SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e) (1). Each separate segregated fund established under the provisions of section 316 shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

(b) *The statement of organization of a political committee shall include—*

- (1) *the name, address, and type of committee;*
- (2) *the name, address, relationship, and type of any connected organization or affiliated committee;*
- (3) *the name, address, and position of the custodian of books and accounts of the committee;*
- (4) *the name and address of the treasurer of the committee;*
- (5) *if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; and*
- (6) *a listing of all banks, safety deposit boxes, or other repositories used by the committee.*

(c) *Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.*

(d) (1) *A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.*

(2) *Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—*

(A) *the determination of insolvency with respect to any political committee;*

(B) *the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and*

(C) *the termination of an insolvent political committee after such liquidation and application of assets.*

[REPORTS

[SEC. 304. (a) (1) Except as provided by paragraph (2), each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with Commission reports of receipts and expenditures on forms to be prescribed or approved by it. The reports referred to in the preceding sentence shall be filed as follows:

[(A) (i) In any calendar year in which an individual is a candidate for Federal office and an election for such Federal office is held in such year, such reports shall be filed not later than the tenth day before the date on which such election is held and shall be complete as of the fifteenth day before the date of such election; except that any such report filed by registered or certified mail must be postmarked not later than the close of the twelfth day before the date of such election.

[(ii) Such reports shall be filed not later than the thirtieth day after the date of such election and shall be complete as of the twentieth day after the date of such election.

[(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed after December 31 of such calendar year, but not later than January 31 of the following calendar year and shall be complete as of the close of the calendar year with respect to which the report is filed.

[(C) Such reports shall be filed not later than the tenth day following the close of any calendar quarter in which the candidate or political committee concerned received contributions in excess of \$1,000, or made expenditures in excess of \$1,000, and shall be complete as of the close of such calendar quarter; except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph. In any year in which a candidate is not on the ballot for election to Federal office, such candidate and his authorized committees shall only be required to file such reports not later than the tenth day following the close of any calendar quarter in which the candidate and his authorized committees received contributions or made expenditures, or both, the total amount of which, taken together, exceed \$5,000, and such reports shall be complete as of the close of such calendar quarter; except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph.

[(D) When the last day for filing any quarterly report required by subparagraph (C) occurs within 10 days of an election, the filing of such quarterly report shall be waived and superseded by the report required by subparagraph (A) (i).

Any contribution of \$1,000 or more received after the fifteenth day, but more than 48 hours, before any election shall be reported within 48 hours after its receipt.

[(2) Each treasurer of a political committee authorized by a candidate to raise contributions or make expenditures on his behalf, other than the candidate's principal campaign committee, shall file the reports required under this section with the candidate's principal campaign committee.

[(3) Upon a request made by a presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates set forth in paragraph (1) (other than the reporting date set forth in paragraph (1) (B)), and require instead that such candidate or political committee file reports not less frequently than monthly. The Commission may not require a presidential candidate or a political committee operating in more than one State to file more than 12 reports (not counting any report referred to in paragraph (1) (B)) during any calendar year. If the Commission acts on its own motion under this paragraph with respect to a candidate or a political committee, such candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.

[(b) Each report under this section shall disclose—

[(1) the amount of cash on hand at the beginning of the reporting period;

[(2) the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the

calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions;

[(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

[(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

[(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of \$100, together with the full names and mailing addresses (occupations and the principal places of business, if any) of the lender, endorsers, and guarantors, if any, and the date and amount of such loans;

[(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

[(7) each contribution, rebate, refund, or other receipt in excess of \$100 not otherwise listed under paragraphs (2) through (6);

[(8) the total sum of all receipts by or for such committee or candidate during the reporting period, together with total receipts less transfers between political committees which support the same candidate and which do not support more than one candidate;

[(9) the identification of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

[(10) the identification of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of \$100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

[(11) the total sum of expenditures made by such committee or candidate during the calendar year, together with total expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate;

[(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the Commission may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the Commission may require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor;

[(13) in the case of an independent expenditure in excess of \$100 by a political committee, other than an authorized committee of a candidate, expressly advocating the election or defeat of a clearly identified candidate, through a separate schedule (A) any

information required by paragraph (9) stated in a manner which indicates whether the independent expenditure involved is in support of, or in opposition to, a candidate; and (B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

[(14) such other information as shall be required by the Commission.

When committee treasurers and candidates show that best efforts have been used to obtain and submit the information required by this subsection, they shall be deemed to be in compliance with this subsection.

[(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

[(d) This section does not require a Member of the Congress to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him by the Senate Recording Studio, the House Recording Studio, or by an individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if such services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee. This subsection does not apply to such recording services furnished during the calendar year before the year in which the Member's term expires.

[(e) (1) Every person (other than a political committee or candidate) who makes contributions or independent expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 during a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required of a person who makes a contribution in excess of \$100 to a candidate or political committee and the information required of a candidate or political committee receiving such a contribution.

[(2) Statements required by this subsection shall be filed on the dates on which reports by political committees are filed. Such statements shall include (A) the information required by subsection (b) (9), stated in a manner indicating whether the contribution or independent expenditure is in support of, or opposition to, the candidate; and (B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate. Any independent expenditure, including those described in subsection (b) (13), of \$1,000 or more made after the fifteenth day, but more than 24 hours,

before any election shall be reported within 24 hours of such independent expenditure.

[(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all expenditures separately, including those reported under subsection (b) (13), made with respect to each candidate, as reported under this subsection, and for periodically issuing such indices on a timely pre-election basis.]

REPORTS

SEC. 304. (a) (1) Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection. The treasurer shall sign each such report.

(2) If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate—

(A) in any calendar year during which there is regularly scheduled election for which such candidate is seeking election, or nomination for election, the treasurer shall file the following reports:

(i) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election;

(ii) a post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be complete as of the 20th day after such general election; and

(iii) additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter: except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year; and

(B) in any other calendar year the following reports shall be filed:

(i) a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31; and

(ii) a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.

(3) If the committee is the principal campaign committee of a candidate for the office of President—

(A) in any calendar year during which a general election is held to fill such office—

(i) the treasurer shall file monthly reports if such committee has on January 1 of such year, received contributions aggregating \$100,000 or made expenditures aggregating \$100,000 or anticipates receiving contributions aggregating \$100,000 or more or making expenditures aggregating \$100,000 or more during such year: such monthly reports shall be filed no later than the 20th day after the last day of each

month and shall be complete as of the last day of the month, except that, in lieu of filing the report otherwise due in November and December, a pre-general election report shall be filed in accordance with paragraph (2) (A) (i), a post-general election report shall be filed in accordance with paragraph (2) (A) (ii), and a year end report shall be filed no later than January 31 of the following calendar year;

(ii) the treasurer of the other principal campaign committees of a candidate for the office of President shall file a pre-election report or reports in accordance with paragraph (2) (A) (i), a post-general election report in accordance with paragraph (2) (A) (ii), and quarterly reports in accordance with paragraph (2) (A) (iii); and

(iii) if at any time during the election year a committee filing under paragraph (3) (A) (ii) receives contributions in excess of \$100,000 or makes expenditures in excess of \$100,000, the treasurer shall begin filing monthly reports under paragraph (3) (A) (i) at the next pending period.

(B) in any other calendar year, the treasurer shall file either—

(i) monthly reports, which shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month; or

(ii) quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter and which shall be complete as of the last day of each calendar quarter.

(4) All political committees other than authorized committees of a candidate shall either—

(A) (i) file quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter: except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year;

(ii) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15 day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election;

(iii) a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and

(iv) in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year; or

(B) file monthly reports in all calendar years which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held,

a pre-general election report shall be filed in accordance with paragraph (2) (A) (i), a post-general election report shall be filed in accordance with paragraph (2) (A) (ii), and a year end report shall be filed no later than January 31 of the following calendar year.

(5) If designation, report, or statement filed pursuant to this title (other than under paragraph (2) (A) (i) or (4) (A) (ii)) is sent by registered or certified mail, the United States postmark shall be considered the date of filing of the designation, report, or statement.

(6)(A) The principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of \$1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this title.

(7) The reports required to be filed by this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

(8) The requirement for a political committee to file a quarterly report under paragraph (2)(A)(iii) or paragraph (4)(A)(i) shall be waived if such committee is required to file a pre-election report under paragraph (2)(A)(i), or paragraph (4)(A)(ii) during the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

(9) The Commission shall set filing dates for reports to be filed by principal campaign committees of candidates seeking election, or nomination for election, in special elections and political committees filing under paragraph (4)(A) which make contributions to or expenditures on behalf of a candidate or candidate in special elections. The Commission shall require no more than one pre-election report for each election and one post-election report for the election which fills the vacancy. The Commission may waive any reporting obligation of committees required to file for special elections if any report required by subsection (2) or (4) is required to be filed within 10 days of a report required under this subsection. The Commission shall establish the reporting dates within 5 days of the setting of such election and shall publish such dates and notify the principal campaign committees of all candidates in such election of the reporting dates.

(10) The treasurer of a committee supporting a candidate for the office of Vice President (other than the nominee of a political party) shall file reports in accordance with subsection (3).

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the following categories:

(A) contributions from persons other than political committees;

(B) for an authorized committee, contributions from the candidate;

(C) contributions from political party committees;

(D) contributions from other political committees;

(E) for an authorized committee, transfers from other authorized committees of the same candidate;

(F) transfers from affiliated committees and, where the reporting committee is a political party committee, transfers from other political party committees, regardless of whether such committees are affiliated;

(G) for an authorized committee, loans made by or guaranteed by the candidate;

(H) all other loans;

(I) rebates, refunds, and other offsets to operating expenditures;

(J) dividends, interest, and other forms of receipts; and

(K) for an authorized committee of a candidate for the office of President, Federal funds received under chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

(3) the identification of each—

(A) person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$100 within the calendar year, together with the date of receipt and amount of any such contribution;

(B) political committee which makes a contribution to the reporting committee during the reporting period, together with the date of receipt and amount of any such contribution;

(C) authorized committee which makes a transfer to the reporting committee;

(D) affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee from another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer;

(E) person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount or value of such loan;

(F) person who provides to rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of \$100 within the calendar year, together with the date of receipt and amount of such receipt;

(G) person who provides any dividend, interest, or other receipt to the reporting committee in an aggregate value or amount in excess of \$100 within the calendar year, together with the date of receipt and amount of any such receipt;

(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

(A) expenditures made to meet candidate or committee operating expenses;

(B) for authorized committees, transfers to other committees authorized by the same candidate;

(C) transfers to affiliated committees and, where the reporting committee is a political party committee, transfers to other political party committees, regardless of whether they are affiliated;

(D) for an authorized committee, repayment of loans made by or guaranteed by the candidate;

(E) repayment of all other loans;

(F) contribution refunds and other offsets to contributions;

(G) for an authorized committee, any other disbursements;

(H) for any political committee other than an authorized committee—

(i) contributions made to other political committees;

(ii) loans made by the reporting committees;

(iii) independent expenditures;

(iv) expenditures made under section 315(d) of the Act;

(v) any other disbursements;

(I) for an authorized committee of a candidate for the office of President, disbursements not subject to the limitation of 315(b);

(5) the name and address of each—

(A) person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure;

(B) authorized committee to which a transfer is made by the reporting committee;

(C) affiliated committee to which a transfer is made by the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds by the reporting committee to another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfers;

(D) person who receives a loan repayment from the reporting committee during the reporting period, together with the date and amount of such loan repayment;

(E) person who receives a contribution refund or other offset to contributions from the reporting committee where such contribution was reported under paragraph 3(A) of

this clause, together with the date and amount of such disbursement;

(6) (A) for an authorized committee, the name and address of each person who has received any disbursement not disclosed under paragraph (5) which in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such disbursement;

(B) for any other political committee, the name and address of each—

(i) political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution;

(ii) person who has received a loan from the reporting committee during the reporting period, together with the date and amount of such loan;

(iii) person who receives any disbursement during the reporting period which in an aggregate amount or value in excess of \$200 within the calendar year in connection with an independent expenditure by the reporting committee, together with the date, amount, and purpose of any such independent expenditure and a statement which indicates whether such independent expenditure is in support of, or in opposition to, a candidate, as well as the name and office sought by such candidate, and a certification, under penalty of perjury, whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such committee;

(iv) person who receives any expenditure from the reporting committee during the reporting period in connection with an expenditure under section 315 (d) in the Act, together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made;

(v) person who has received any disbursement not otherwise disclosed in this paragraph or paragraph (5) in an aggregate amount or value in excess of \$200 within the calendar year from the reporting committee within the reporting period, together with the date, amount, and purpose of any such disbursement;

(7) the total sum of all contributions to such political committee, together with the total contributions less offsets to contributions and the total sum of all operating expenditures made by such political committee, together with total operating expenditures less offsets to operating expenditures, for both the reporting period and the calendar year;

(8) the amount and nature of outstanding debts and obligations owed by or to such political committee, together with a statement as to the circumstances and conditions under which any debts or obligations owed by or to such committee were extinguished and the consideration thereof.

(c) (1) Every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess

of \$100 during a calendar year shall file a statement containing the information required under subsection (b) (3) (A) for all contributions received by such person.

(2) Statements required to be filed by this subsection shall be filed in accordance with subsection (a) (2) and shall include—

(A) the information required by subsection (b) (6) (B) (iii), indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved;

(B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

(C) the identification of each person who made a contribution in excess of \$100 to the person filing such statement which was made for the purpose of furthering an independent expenditure.

Any independent expenditure (including those described in subsection (b) (6) (B) (iii) aggregating \$1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made. Such statement shall be filed with the Clerk, the Secretary, or the Commission and the Secretary of State and shall contain the information required by subsection (b) (6) (B) (iii) indicating whether the independent expenditure is in support of or in opposition to, the candidate involved.

(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all independent expenditures separately, including those reported under subsection (b) (6) (B) (iii), made by or for each candidate, as reported under this subsection, and for periodically publishing such indices on a timely pre-election basis.

【REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

【SEC. 305. (a) No person who sells space in a newspaper or magazine to a candidate, or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.

【(b) Each political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

【“A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.”.

【FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

【SEC. 306. (a) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the Commission in a published regulation.

【(b) The Commission may, by a rule of general applicability which is published in the Federal Register not less than 30 days before its effective date, relieve—

[(1) any category of candidates of the obligation to comply personally with the reporting requirements of section 304, if it determines that such action is consistent with the purposes of this Act; and

[(2) any category of political committees of the obligation to comply with the reporting requirements of such section if such committees—

[(A) primarily support persons seeking State or local office; and

[(B) do not operate in more than one State or do not operate on a statewide basis.

[(c) The Commission shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

[(d) If a report or statement required by section 303, 304(a)(1)(A)(ii), 304(a)(1)(B), 304(a)(1)(C), 304(c), or 304(e) of this title to be filed by a treasurer of a political committee or by a candidate or by any other person, is delivered by registered or certified mail, to the Commission or principal campaign committee with which it is required to be filed, the United States postmark stamped on the cover of the envelope or other container in which such report or statement is so mailed shall be deemed to be the date of filing.]

REPORTS ON CONVENTION FINANCING

SEC. [307] 305. Each committee or other organization which—

(1) represents a State, or a political subdivision thereof, or any group of persons, in dealing with officials of a national political party with respect to matters involving a convention held in such State or political subdivision to nominate a candidate for the office of President or Vice President, or

(2) represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President,

shall, within [sixty] 60 days following the end of the convention (but not later than [twenty] 20 days prior to the date on which presidential and vice-presidential electors are chosen), file with the [Federal Election] Commission a full and complete financial statement, in such form and detail as it may prescribe, of the sources from which it derived its funds, and the purposes for which such funds were expended.

FEDERAL ELECTION COMMISSION

SEC. 306. (a) (1) *There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent*

of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

(2) (A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

(B) A member of the Commission may serve on the Commission after the expiration of his term until his successor has taken office as a member of the Commission.

(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

(3) Members shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Federal Government. Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time of their appointment to the Commission shall terminate or liquidate such activity no later than 90 days after such appointment.

(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. A member may serve as chairman only once during any term of office to which such member is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

(b) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions.

(2) Nothing in this chapter shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this subchapter shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the

provisions of this subchapter, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to take any action in accordance with paragraphs (6), (7), (8), or (9) of section 307(a) of this title or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

(d) The Commission shall meet at least once each month and also at the call of any member.

(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

(f) (1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable without regard to the provisions of title 5 governing appointments in the competitive service.

(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

(3) In carrying out its responsibilities under this chapter, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

POWERS OF THE COMMISSION

SEC. 307. (a) The Commission has the power—

(1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission may prescribe;

(2) to administer oaths or affirmations;

(3) to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defined (in the case of any civil action brought under section 309(a)(8) of this title) or appeal any civil action in the name of the Commission to enforce the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

(7) to render advisory opinions under section 308 of this title;

(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, as are necessary to carry out the provisions of this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

(9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

(b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a), issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

(d) (1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

(2) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

(e) Except as provided in section 309(a)(8) of this title, the power of the Commission to initiate civil actions under subsection (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this chapter.

【CAMPAIGN DEPOSITORIES

【SEC. 308. (a) (1) Each candidate shall designate one or more national or State banks as his campaign depositories. The principal campaign committee of such candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a single checking account and such other accounts as the committee determines to maintain at its discretion at a depository designated by the candidate and shall deposit any con-

tributions received by such committee into such account. A candidate shall deposit any payment received by him under chapter 95 or chapter 96 of the Internal Revenue Code of 1954 in the account maintained by his principal campaign committee. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on such account, other than petty cash expenditures as provided in subsection (b).

[(2) The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more national or State banks as campaign depositories of such committee, and shall maintain a checking account for the committee at each such depository. All contributions received by such committee shall be deposited in such accounts. No expenditure may be made by such committee except by check drawn on such accounts, other than petty cash expenditures as provided in subsection (b).

[(b) A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports thereof shall be furnished to the Commission as it may require.

[(c) A candidate for nomination for election, or for election, to the office of President of the United States may establish one such depository in each State, which shall be considered as his campaign depository for such State by his principal campaign committee and any other political committee authorized by him to receive contributions or to make expenditures on his behalf in such State, under rules prescribed by the Commission. The campaign depository of the candidate of a political party for election to the office of Vice President of the United States shall be the campaign depository designated by the candidate of such party for election to the office of President of the United States.

[FEDERAL ELECTION COMMISSION

[SEC. 309. (a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and 6 members appointed by the President of the United States, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

[(2) (A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

[(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

[(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

[(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

[(B) A member of the Commission may serve on the Commission after the expiration of his term until his successor has taken office as a member of the Commission.

[(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

[(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

[(3) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment and shall be chosen from among individuals who, at the time of their appointment, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Government of the United States. Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time such individual begins to serve as a member of the Commission shall terminate or liquidate such activity no later than 1 year after beginning to serve as such a member.

[(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

[(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. No member may serve as chairman more often than once during any term of office to which he is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman, or in the event of a vacancy in such office.

[(b) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive primary jurisdiction with respect to the civil enforcement of such provisions.

[(2) Nothing in this Act shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

[(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this title shall be made by a majority vote of the members of the Commission, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to establish guidelines for compliance with the provisions of this Act or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or for the Commission to take any action in accordance with paragraph (6), (7), (8), or (10) of section 310(a). A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this title.

[(d) The Commission shall meet at least once each month and also at the call of any member.

[(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia

(but it may meet or exercise any of its powers anywhere in the United States).

[(f) (1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

[(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

[(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States Government. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.]

ADVISORY OPINIONS

SEC. 308. (a) (1) Not later than 60 days after the Commission receives from a person a complete written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a rule or regulation prescribed by the Commission, with respect to a specific transaction or activity by the person, the Commission shall render a written advisory opinion relating to such transaction or activity to the person.

(2) If an advisory opinion is requested by a candidate, or any authorized committee of such candidate, during the 60-day period before any election for Federal office involving the requesting party, the Commission shall render a written advisory opinion relating to such request no later than 20 days after the Commission receives a complete written request.

(b) Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to procedures established in section 311(f). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

(c) (1) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by—

(A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and

(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the

transaction or activity with respect to which such advisory opinion is rendered.

(2) *Notwithstanding any other provisions of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (1) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of title 26.*

(d) *The Commission shall make public any request made under subsection (a) for an advisory opinion. Before rendering an advisory opinion, the Commission shall accept written comments submitted by any interested party within the 10-day period following the date the request is made public.*

ENFORCEMENT

SEC. 309. (a) (1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18. Within 5 days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such a violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within 15 days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

(2) *If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of 4 of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis for such alleged violation. The Commission shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.*

(3) *The general counsel of the Commission shall notify the respondent of any recommendation to the Commission by the general counsel to proceed to a vote on probable cause pursuant to paragraph (4) (A) (i). With such notification, the general counsel shall include a brief stating the position of the general counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, respondent may submit a brief stating the position of a respondent on the legal and factual issues of the case, and replying to the brief of general counsel. Such briefs shall be filed with the Secretary of the Commission and shall be considered by the Commission before proceeding under paragraph (4).*

(4) (A) (i) *Except as provided in clause (ii), if the Commission determines, by an affirmative vote of 4 of its members, that there is probable cause to believe that any person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall attempt, for a period of at least 30 days, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any person involved. Such attempt by the Commission to correct or prevent such violation may continue for a period of not more than 90 days. The Commission may not enter into a conciliation agreement under this clause except pursuant to an affirmative vote of 4 of its members. A conciliation agreement, unless violated, is a complete bar to any further action by the Commission, including the bringing of a civil proceeding under paragraph 6(A).*

(ii) *If any determination of the Commission under clause (i) occurs during the 45-day period immediately preceding any election, then the Commission shall attempt, for a period of at least 15 days, to correct or prevent the violation involved by the methods specified in clause (i).*

(B) (i) *No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission under subparagraph (A) may be made public by the Commission without the written consent of the respondent and Commission.*

(ii) *If a conciliation agreement is agreed upon by the Commission and the respondent, the Commission shall make public any conciliation agreement signed by both the Commission and the respondent. If the Commission makes a determination that a person has not violated this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make public such determination.*

(5) (A) *If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation.*

(B) *If the Commission believes that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4) (A) may require that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.*

(C) *If the Commission by an affirmative vote of 4 of its members, determines that there is probable cause to believe that a knowing and willful violation of this Act which is subject to subsection (d), or a knowing and willful violation of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to any limitations set forth in paragraph (4) (A).*

(D) *In any case in which a person has entered into a conciliation agreement with the Commission under paragraph (4) (A), the Commission may institute a civil action for relief under paragraph (6) (A) if it believes that the person has violated any provision of such conciliation agreement. For the Commission to obtain relief in any civil action, the Commission need only establish that the person has violated, in whole or in part, any requirement of such conciliation agreement.*

(6) (A) *If the Commission is unable to correct or prevent any violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, by the methods specified in paragraph (4) (A), the Commission may, upon an affirmative vote of 4 of its members, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order (including an order for a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.*

(B) *In any civil action instituted by the Commission under subparagraph (A), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.*

(C) *In any civil action for relief instituted by the Commission under subparagraph (A), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.*

(7) *In any action brought under paragraph (5) or (6), subpoenas for witnesses who are required to attend a United States district court may run into any other district.*

(8) (A) *Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.*

(B) *Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.*

(C) *In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.*

(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 437h of this title).

(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

(12) (A) Any complaint filed under this section, or any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person who is the subject of such complaint, the person receiving such notification or the person under investigation.

(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than \$2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than \$5,000.

(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a)(2)(A)(iii) for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a)(2)(A)(i), the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a)(7), publish before the election the name of the person and the report or reports such person has failed to file.

(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

(d) (1) (A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution or expenditure aggregating \$2,000 or more during a calendar year shall be fined, or imprisoned for more than one year, or both. The amount of this fine shall not exceed the greater of \$25,000 or 300 percent of any contribution or expenditure involved in such violation.

(B) In the case of a knowing and willful violation of section 316(b)(3), the penalties set forth in this subsection shall apply to a violation involving an amount aggregating \$250 or more during a calendar year. Such violation of section 316(b)(3) may incorporate a violation of section 317(b), 320, or 321.

(C) In the case of a knowing and willful violation of section 322, the penalties set forth in this subsection shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

(2) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, any defendant may evidence their lack of knowledge or intent to commit the alleged violation by introducing as evidence a conciliation agreement entered into between the defendant and the Commission under subsection (a) (4) (A) which specifically deals with the act or failure to act constituting such violation and which is still in effect.

(3) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the violation and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

(A) the specific act or failure to act which constitutes the violation for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under subsection (a) (4) (A);

(B) the conciliation agreement is in effect; and

(C) the defendant is, with respect to the violation involved in compliance with the conciliation agreement.

【POWERS OF COMMISSION

【SEC. 310. (a) The Commission has the power—

【(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; and such submission shall be made within such a reasonable period of time and under oath or otherwise as the Commission may determine;

【(2) to administer oaths or affirmations;

【(3) to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

【(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

【(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

【(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 313(a) (9)), or appeal any civil action in the name of the Commission for the purpose of enforcing the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

[(7) to render advisory opinions under section 312;

[(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

[(9) to formulate general policy with respect to the administration of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

[(10) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

[(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

[(c) No person shall be subject to civil liability to a person (other than the Commission or the United States) for disclosing information at the request of the Commission.

[(d) (1) Whenever the Commission submits any budget estimate or request to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

[(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

[(e) Except as provided in section 313(a)(9), the power of the Commission to initiate civil actions under subsection (a)(6) shall be the exclusive civil remedy for the enforcement of the provisions of this Act.

[REPORTS

[SEC. 311. The Commission shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Commission in carrying out its duties under this title, together with recommendations for such legislative or other action as the Commission considers appropriate.

[ADVISORY OPINIONS

[SEC. 312. (a) The Commission shall render an advisory opinion, in writing, within a reasonable time in response to a written request by

any individual holding Federal office, any candidate for Federal office, any political committee, or the national committee of any political party concerning the application of a general rule of law stated in the Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a general rule of law prescribed as a rule or regulation by the Commission, to a specific factual situation. Any such general rule of law not stated in the Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to the procedures established by section 315(c). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

[(b) (1) Notwithstanding any other provision of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (2) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

[(2) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by (A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and (B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered. (2 U.S.C. 437f)

[(c) Any request made under subsection (a) shall be made public by the Commission. The Commission shall, before rendering an advisory opinion with respect to such request, provide any interested party with an opportunity to transmit written comments to the Commission with respect to such request.

ENFORCEMENT

[SEC. 313. (a) (1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred may file a complaint with the Commission. Such complaint shall be in writing, shall be signed and sworn to by the person filing such complaint, and shall be notarized. Any person filing such a complaint shall be subject to the provisions of section 1001 of title 18, United States Code. The Commission may not conduct any investigation under this section, or take any other action under this section, solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

[(2) The Commission, upon receiving a complaint under paragraph (1), and if it has reason to believe that any person has committed a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or, if the Commission, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, has reason to believe that such a violation has occurred, shall notify the person involved of such alleged violation and shall make an investigation of such alleged violation in accordance with the provisions of this section.

[(3)(A) Any investigation under paragraph (2) shall be conducted expeditiously and shall include an investigation, conducted in accordance with the provisions of this section, of reports and statements filed by any complainant under this title, if such complainant is a candidate.

[(B) Any notification or investigation made under paragraph (2) shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

[(4) The Commission shall afford any person who receives notice of an alleged violation under paragraph (2) a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act.

[(5)(A) If the Commission determines that there is reasonable cause to believe that any person has committed or is about to commit a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make every endeavor for a period of not less than 30 days to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with the person involved, except that, if the Commission has reasonable cause to believe that—

[(i) any person has failed to file a report required to be filed under section 304(a)(1)(C) for the calendar quarter occurring immediately before the date of a general election;

[(ii) any person has failed to file a report required to be filed no later than 10 days before an election; or

[(iii) on the basis of a complaint filed less than 45 days but more than 10 days before an election, any person has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954;

the Commission shall make every effort for a period of not less than one-half the number of days between the date upon which the Commission determines there is reasonable cause to believe such a violation has occurred and the date of the election involved, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with the person involved. A conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission, including the bringing of a civil proceeding under subparagraph (B).

[(B) If the Commission is unable to correct or prevent any such violation by such informal methods, the Commission may, if the Commission determines there is probable cause to believe that a violation has occurred or is about to occur, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order, including a civil penalty which does not exceed the greater of \$5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation, in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

[(C) In any civil action instituted by the Commission under subparagraph (B), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty

which does not exceed the greater of \$5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation, upon a proper showing that the person involved has engaged or is about to engage in a violation of this Act of chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

[(D) If the Commission determines that there is probable cause to believe that a knowing and willful violation subject to and as defined in section 329, or a knowing and willful violation of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to any limitations set forth in subparagraph (A).

[(6) (A) If the Commission believes that there is clear and convincing proof that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has been committed, a conciliation agreement entered into by the Commission under paragraph (5) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which shall not exceed the greater of (i) \$10,000; or (ii) an amount equal to 200 percent of the amount of any contribution or expenditure involved in such violation.

[(B) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (5) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of (i) \$5,000; or (ii) an amount equal to the amount of the contribution or expenditure involved in such violation.

[(C) The Commission shall make available to the public (i) the results of any conciliation attempt, including any conciliation agreement entered into by the Commission; and (ii) any determination by the Commission that no violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred.

[(7) In any civil action for relief instituted by the Commission under paragraph (5), if the court determines that the Commission has established through clear and convincing proof that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty of not more than the greater of (A) \$10,000; or (B) an amount equal to 200 percent of the contribution or expenditure involved in such violation. In any case in which such person has entered into a conciliation agreement with the Commission under paragraph (5) (A), the Commission may institute a civil action for relief under paragraph (5) if it believes that such person has violated any provision of such conciliation agreement. In order for the Commission to obtain relief in any such civil action, it shall be sufficient for the Commission to establish that such person has violated, in whole or in part, any requirement of such conciliation agreement.

[(8) In any action brought under paragraph (5) or paragraph (7), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

[(9) (A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure on the part of the Commission to act on such complaint in accordance with the provisions of this section within 90 days after the filing of such complaint, may file a petition with the United States District Court for the District of Columbia.

[(B) The filing of any petition under subparagraph (A) shall be made—

[(i) in the case of the dismissal of a complaint by the Commission, no later than 60 days after such dismissal; or

[(ii) in the case of a failure on the part of the Commission to act on such complaint, no later than 60 days after the 90-day period specified in subparagraph (A).

[(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the action, or the failure to act, is contrary to law and may direct the Commission to proceed in conformity with such declaration within 30 days, failing which the complainant may bring in his own name a civil action to remedy the violation involved in the original complaint.

[(10) The judgment of the district court may be appealed to the court of appeals and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

[(11) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 314).

[(12) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (5) it may petition the court for an order to adjudicate such person in civil contempt, except that if it believes the violation to be knowing and willful it may petition the court for an order to adjudicate such person in criminal contempt.

[(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted no later than 60 days after the date the Commission refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent violation. The Commission may from time to time prepare and publish reports on the status of such referrals.

[(c) Any member of the Commission, any employee of the Commission, or any other person who violates the provisions of subsection (a) (3) (B) shall be fined not more than \$2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subsection (a) (3) (B) shall be fined not more than \$5,000.]

JUDICIAL REVIEW

SEC. [314.] 310. (a) The Commission, the national committee of any political party, or any individual eligible to vote in any election for the

office of President [of the United States] may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this Act. The district court immediately shall certify all questions of constitutionality of this Act to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(b) Notwithstanding any other provision of law, any decision on a matter certified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought no later than 20 days after the decision of the court of appeals.

(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under subsection (a).

[DUTIES

[SEC. 315. (a) It shall be the duty of the Commission—

[(1) to develop and furnish to the person required by the provisions of this Act prescribed forms for the making of the reports and statements required to be filed with it under this title;

[(2) to prepare, publish, and furnish to the person required to file such reports and statements a manual setting forth recommended uniform methods of bookkeeping and reporting;

[(3) to develop a filing, coding, and cross-indexing system consonant with the purposes of this title;

[(4) to make the reports and statements filed with it available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person: *Provided*, That any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

[(5) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

[(6) to compile and maintain a cumulative index of reports and statements filed with it, which shall be published in the Federal Register at regular intervals and which shall be available for purchase directly or by mail for a reasonable price, and to compile and maintain a separate cumulative index of reports and statements filed with it by political committees supporting more than one candidate, which shall include a listing of the date of the registration of any such political committee and the date upon which any such political committee qualifies to make expenditures under section 329(a)(2), and which shall be revised on the same basis and at the same time as the other cumulative indices required under this paragraph;

[(7) to prepare and publish from time to time special reports listing those candidates for whom reports were filed as required

by this title and those candidates for whom such reports were not filed as so required;

[(8) to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title, and to give priority to auditing and field investigating of the verification for, and the receipt and use of, any payments received by a candidate under chapter 95 or chapter 96 of the Internal Revenue Code of 1954;

[(9) to report apparent violations of law to the appropriate law enforcement authorities; and

[(10) to prescribe suitable rules and regulations to carry out the provisions of this title, in accordance with the provisions of subsection (c).

[(b) It shall be the duty of the Commission to serve as a national clearinghouse for information in respect to the administration of elections. In carrying out its duties under this subsection, the Commission shall enter into contracts for the purpose of conducting independent studies of the administration of elections. Such studies shall include, but shall not be limited to studies of—

[(1) the method of selection of, and the type of duties assigned to, officials and personnel working on boards of elections;

[(2) practices relating to the registration of voters; and

[(3) voting and counting methods.

Studies made under this subsection shall be published by the Commission and copies thereof shall be made available to the general public upon the payment of the cost thereof.

[(c) (1) The Commission, before prescribing any rule or regulation under this section, shall transmit a statement with respect to such rule or regulation to the Senate or the House of Representatives, as the case may be, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

[(2) If the appropriate body of the Congress which receives a statement from the Commission under this subsection does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. In the case of any rule or regulation proposed to deal with reports or statements required to be filed under this title by a candidate for the office of President of the United States, and by political committees supporting such a candidate both the Senate and the House of Representatives shall have the power to disapprove such proposed rule or regulation. Whenever a committee of the House of Representatives reports any resolution relating to any such rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by

which the motion is agreed to or disagreed to. The Commission may not prescribe any rule or regulation which is disapproved under this paragraph.

[(3) If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, it shall transmit such statement to the Senate. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Representative, Delegate, or Resident Commissioner, and by political committees supporting such candidate, it shall transmit such statement to the House of Representatives. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of President of the United States, and by political committees supporting such candidate it shall transmit such statement to the House of Representatives and the Senate.

[(4) For purposes of this subsection, the term "legislative days" does not include, with respect to statements transmitted to the Senate, any calendar day on which the Senate is not in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is not in session, and with respect to the statements transmitted to both such bodies, any calendar day on which both Houses of the Congress are not in session.

[(5) For purposes of this subsection, the term "rule or regulation" means a provision or series of interrelated provisions stating a single separable rule of law.

[(d) (1) The Commission shall prescribe suitable rules and regulations to carry out the provisions of this title, including such rules and regulations as may be necessary to require that—

[(A) reports and statements required to be filed under this title by a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, and by political committees supporting such candidate, shall be received by the Clerk of the House of Representatives as custodian for the Commission;

[(B) reports and statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, shall be received by the Secretary of the Senate as custodian for the Commission; and

[(C) the Clerk of the House of Representatives and the Secretary of the Senate, as custodians for the Commission, each shall make the reports and statements received by him available for public inspection and copying in accordance with paragraph (4) of subsection (a), and preserve such reports and statements in accordance with paragraph (5) of subsection (a).

[(2) It shall be the duty of the Clerk of the House of Representatives and the Secretary of the Senate to cooperate with the Commission in carrying out its duties under this Act and to furnish such services and facilities as may be required in accordance with this section.

STATEMENTS FILED WITH STATE OFFICER

【SEC. 316. (a) A copy of each statement required to be filed with the Commission by this title shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State. For purposes of this subsection, the term "appropriate State" means—

【(1) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of President or Vice President of the United States, each State in which an expenditure is made by him or on his behalf, and

【(2) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, the State in which he seeks election.

【(b) It shall be the duty of the Secretary of State, or the equivalent State officer, under subsection (a)—

【(1) to receive and maintain in an orderly manner all reports and statements required by this title to be filed with him;

【(2) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

【(3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person; and

【(4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.】

ADMINISTRATIVE PROVISIONS

SEC. 311. (a) *The Commission shall—*

(1) *prescribe forms necessary to implement this Act;*

(2) *prepare, publish, and furnish to all persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting;*

(3) *develop a filing, coding, and cross-indexing system consistent with the purposes of this title;*

(4) *within 48 hours after the time of the receipt by the Commission of reports and statements filed with it, make them available for public inspection, and copying, at the expense of the person requesting such copying, except that any information copied from such report or statements may not be sold or used by any persons for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee, a political committee may submit 10 pseudonyms on each report filed in order to protect against the illegal use of names and ad-*

dresses of contributors, provided such committee attaches a list of such pseudonyms to the appropriate report. The Clerk, Secretary, or the Commission shall exclude these lists from the public record;

(5) keep such designations, reports, and statements for a period of 10 years from the date of receipt, except that designations, reports, and statements that relate solely to candidates for the House of Representatives shall be kept for 5 years from the date of their receipt;

(6) (A) compile and maintain a cumulative index of designations, reports, and statements filed under this Act, which index shall be published at regular intervals and made available for purchase directly or by mail;

(B) compile, maintain, and revise a separate cumulative index of reports and statements filed by multi-candidate committees, including in such index a list of multi-candidate committees; and

(C) compile and maintain a list of multi-candidate committees, which shall be revised and made available monthly;

(7) prepare and publish periodically lists of authorized committees which fail to file reports as required by this title;

(8) prescribe rules, regulations, and forms to carry out the provisions of this title, in accordance with the provisions of subsection (e);

(9) transmit to the President and to each House of the Congress no later than June 1 of each year, a report which states in detail the activities of the Commission in carrying out its duties under this title, and any recommendations for any legislative or other action the Commission considers appropriate; and

(10) serve as a national clearinghouse for information with respect to the administration of this Act and the compilation and administration of State campaign finance and election disclosure laws. The Commission may enter into contracts for the purpose of conducting such independent studies. Studies made under this subsection shall be published by the Commission and copies thereof shall be made available to the general public upon the payment of cost thereof.

(b) The Commission may audit any political committee required to file a report under section 304(a) (4) and under section 304(a) (3). The Commission shall give priority to audits and field investigations concerning the verification for, and receipt and use of, any payments received by a candidate under chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

(c) Any forms prescribed by the Commission under subsection (a) (1), and any information-gathering activities of the Commission under this Act, shall not be subject to the provisions of section 3512 of title 44, United States Code.

(d) (1) Before prescribing any rule, regulation, or form under this section or any other provision of this Act, the Commission shall transmit a statement with respect to such rule, regulation, or form to the Senate and the House of Representatives, in accordance with this subsection. Such statement shall set forth the proposed rule, regulation, or form, and shall contain a detailed explanation and justification of it.

(2) If either House of the Congress does not disapprove by resolution any proposed rule or regulation submitted by the Commission under this section no later than 30 days of continuous session after the date of the receipt of such proposed rule or regulation or no later than 15 days of continuous session after the date of receipt of such proposed form, the Commission may prescribe such rule, regulation, or form.

(3) For purposes of this subsection—

(A) continuity of session of the Congress is broken only by an adjournment *sine die*; and

(B) the days on which either Houses are in session are counted in the computation of the 30-day period and the days on which one House is in session are counted unless the other House is not in session because of an adjournment of more than 3 days to a day certain.

(4) For purposes of this subsection, the terms “rule” and “regulation” means a provision or series of interrelated provisions stating a single, separable rule of law.

(5) Whenever a committee of the House of Representatives reports any resolution relating to any such form, rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and is not in order to move to reconsider the vote by which the motion is agreed to or disagreed with.

(e) Notwithstanding any other provision of law, any person who relies upon any rule or regulation prescribed by the Commission in accordance with the provisions of this section and who acts in good faith in accordance with such rule or regulation shall not, as a result of such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

STATEMENTS FILED WITH STATE OFFICERS

SEC. 312. (a) (1) A copy of each report and statement required to be filed by any person under this title shall be filed by such person with the Secretary of State (or equivalent State officer) of the appropriate State, or, if different, the officer of such State who is charged by State law with maintaining State election campaign reports. The chief executive officer of such State shall designate any such officer and notify the Commission of any such designation.

(2) For purposes of this subsection, the term “appropriate State” means—

(A) for statements and reports in connection with the campaign for nomination for election of a candidate to the office of President or Vice President, each State in which an expenditure is made on behalf of the candidate; and

(B) for statements and reports in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the State in which the candidate seeks election; except that political committees other than authorized committees are only required to file, and Secretaries of State

required to keep, that portion of the report applicable to candidates seeking election in that State.

(b) The Secretary of State (or equivalent State officer) or the officer designated under subsection (a) (1), shall—

(1) receive and maintain in an orderly manner all reports and statements required by this Act to be filed therewith;

(2) keep such reports and statements (either in original filed form or in facsimile copy by microfilm or otherwise)—

(A) for 2 years after their date of receipt, for reports and statements for candidates for the President or Vice President, the Senate, or for the House of Representatives; and

(B) through April 30 of the calendar year following the calendar year in which any report was filed by a political committee other than an authorized committee;

(3) make each report and statement filed therewith available as soon as practicable (but within 48 hours of receipt) for public inspection and copying during regular business hours, and permit copying of any such report or statement by hand or by duplicating machine at the request of any person, except that such copying shall be at the expense of the person making the request; and

(4) compile and maintain a current list of all reports and statements pertaining to each candidate.

USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

SEC. [317.] 313. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to prescribe such rules as may be necessary to carry out the provisions of this section.

[PROHIBITION OF FRANKED SOLICITATIONS

[SEC. 318. No Senator, Representative, Resident Commissioner, or Delegate shall make any solicitations of funds by a mailing under the frank under section 3210 of title 39, United States Code.]

AUTHORIZATION OF APPROPRIATIONS

SEC. [319.] 314. There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and under chapters 95 and 96 of the Internal Revenue Code of 1954, not to exceed \$5,000,000 for the fiscal year ending June 30, 1975. There are authorized to be appropriated to the Commission \$6,000,000

for the fiscal year ending June 30, 1976, \$1,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, \$6,000,000 for the fiscal year ending September 30, 1977, and \$7,811,500 for the fiscal year ending September 30, 1978.

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. [320]. 315. (a) (1) No person shall make contributions—

(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000;

(B) to the political committees established and maintained by a national political party, which are not the authorized political committees of any candidate, in any calendar year which, in the aggregate, exceed \$20,000; or

(C) to any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

(2) No multicandidate political committee shall make contributions—

(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000;

(B) to the political committees established and maintained by a national political party, which are not the authorized political committees of any candidate, in any calendar year, which, in the aggregate, exceed \$15,000; or

(C) to any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

(3) No individual shall make contributions aggregating more than \$25,000 in any calendar year. For purposes of this paragraph, any contribution made to a candidate in a year other than the calendar year in which the election is held with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held.

(4) The limitations on contributions contained in paragraphs (1) and (2) do not apply to transfers between and among political committees which are national, State, district, or local committees (including any subordinate committee thereof) of the same political party. For purposes of paragraph (2), the term "multicandidate political committee" means a political committee which has been registered under section 303 for a period of not less than 6 months, which has received contributions from more than 50 persons, and, except for any State political party organization, has made contributions to 5 or more candidates for Federal office.

(5) For purposes of the limitations provided by paragraph (1) and paragraph (2), all contributions made by political committees established or financed or maintained or controlled by any corporation, labor organization, or any other person, including any parent, subsidiary, branch, division, department, or local unit of such corporation, labor organization, or any other person, or by any group of such persons, shall be considered to have been made by a single political committee, except that (A) nothing in this sentence shall limit transfers between political committees of funds raised through joint fund

raising efforts; (B) for purposes of the limitations provided by paragraph (1) and paragraph (2) all contributions made by a single political committee established or financed or maintained or controlled by a national committee of a political party and by a single political committee established or financed or maintained or controlled by the State committee of a political party shall not be considered to have been made by a single political committee; and (C) nothing in this section shall limit the transfer of funds between the principal campaign committee of a candidate seeking nomination or election to a Federal office and the principal campaign committee of that candidate for nomination or election to another Federal office if (i) such transfer is not made when the candidate is actively seeking nomination or election to both such offices; (ii) the limitations contained in this Act on contributions by persons are not exceeded by such transfer; and (iii) the candidate has not elected to receive any funds under chapter 95 or chapter 96 of the Internal Revenue Code of 1954. In any case in which a corporation and any of its subsidiaries, branches, divisions, departments, or local units, or a labor organization and any of its subsidiaries, branches, divisions, departments, or local units establish or finance or maintain or control more than one separate segregated fund, all such separate segregated funds shall be treated as a single segregated fund for purposes of the limitations provided by paragraph (1) and paragraph (2).

(6) The limitations on contributions to a candidate imposed by paragraphs (1) and (2) of this subsection shall apply separately with respect to each election, except that all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.

(7) For purposes of this subsection—

(A) contributions to a named candidate made to any political committee authorized by such candidate to accept contributions on his behalf shall be considered to be contributions made to such candidate;

(B) (i) expenditures made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents, shall be considered to be a contribution to such candidate;

(ii) the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents shall be considered to be an expenditure for purposes of this paragraph; and

(C) contributions made to or for the benefit of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be contributions made to or for the benefit of the candidate of such party for election to the office of President of the United States.

(8) For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from

such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.

(b)(1) No candidate for the office of President of the United States who is eligible under section 9003 of the Internal Revenue Code of 1954 (relating to condition for eligibility for payments) or under section 9033 of the Internal Revenue Code of 1954 (relating to eligibility for payments) to receive payments from the Secretary of the Treasury may make expenditures in excess of—

(A) \$10,000,000, in the case of a campaign for nomination for election to such office, except the aggregate of expenditures under this subparagraph in any one State shall not exceed the greater of 16 cents multiplied by the voting age population of the State (as certified under subsection (e)), or \$200,000; or

(B) \$20,000,000 in the case of a campaign for election to such office.

(2) For purposes of this subsection—

(A) expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States; and

(B) an expenditure is made on behalf of a candidate, including a vice presidential candidate, if it is made by—

(i) an authorized committee or any other agent of the candidate for purposes of making any expenditure; or

(ii) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

(c)(1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percent difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established by subsection (b) and subsection (d) shall be increased by such percent difference. Each amount so increased shall be the amount in effect for such calendar year.

(2) For purposes of paragraph (1)—

(A) the term “price index” means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

(B) the term “base period” means the calendar year 1974.

(d)(1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committee or a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) of this subsection.

(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (e)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

(A) in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (e)); or

(ii) \$20,000; and

(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.

(e) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term "voting age population" means resident population, 18 years of age or older.

(f) No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

(g) The Commission shall prescribe rules under which any expenditure by a candidate for presidential nominations for use in 2 or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

(h) Notwithstanding any other provision of this Act, amounts totaling not more than \$17,500 may be contributed to a candidate for nomination for election, or for election, to the United States Senate during the year in which an election is held in which he is such a candidate, by the Republican or Democratic Senatorial Campaign Committee, or the national committee of a political party, or any combination of such committees.

CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS, CORPORATIONS,
OR LABOR ORGANIZATIONS

SEC. [321.] 316. (a) It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization, to make a contribution or expenditure in connection with any election at which presidential and vice presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, or any officer or any director of any corporation or any national bank or any officer of any labor organization to consent to any contribution or expenditure by the corporation, national bank, or labor organization, as the case may be, prohibited by this section.

(b) (1) For the purposes of this section the term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(2) For purposes of this section and section 12(h) of the Public Utility Holding Company Act (15 U.S.C. 791(h)), the term "contribution or expenditure" shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section, but shall not include (A) communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families on any subject; (B) nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families; and (C) the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock.

(3) It shall be unlawful—

(A) for such a fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other moneys required as a condition of membership in a labor organization or as a condition of employment, or by moneys obtained in any commercial transaction;

(B) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee of the political purposes of such fund at the time of such solicitation; and

(C) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee, at the time of such solicitation, of his right to refuse to so contribute without any reprisal.

(4) (A) Except as provided in subparagraphs (B), (C), and (D), it shall be unlawful—

(i) for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such a fund from any person other than its stockholders and their families, and its executive or administrative personnel and their families, and

(ii) for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such a fund from any person other than its members and their families.

(B) ~~It~~ **[it]** shall not be unlawful under this section for a corporation, a labor organization, or a separate segregated fund established by such corporation or such labor organization, to make 2 written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel, or employee of a corporation or the families of such persons. A solicitation under this subparagraph may be made only by mail addressed to stockholders, executive or administrative personnel, or employees at their residence and shall be so designed that the corporation, labor organization, or separate segregated fund conducting such solicitation cannot determine who makes a contribution of \$50 or less as a result of such solicitation and who does not make such a contribution.

(C) This paragraph shall not prevent a membership organization, cooperative, or corporation without capital stock, or a separate segregated fund established by a membership organization, cooperative, or corporation without capital stock, from soliciting contributions to such a fund from members of such organization, cooperative, or corporation without capital stock.

(D) This paragraph shall not prevent a trade association or a separate segregated fund established by a trade association from soliciting contributions from the stockholders and executive or administrative personnel of the member corporations of such trade association and the families of such stockholders or personnel to the extent that such solicitation of such stockholders and personnel, and their families, has been separately and specifically approved by the member corporation involved, and such member corporation does not approve any such solicitation by more than one such trade association in any calendar year.

(5) Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members.

(6) Any corporation, including its subsidiaries, branches, divisions, and affiliates, that utilizes a method of soliciting voluntary contributions or facilitating the making of voluntary contributions, shall make available such method, on written request and at a cost sufficient only to reimburse the corporation for the expenses incurred thereby, to a labor organization representing any members working for such corporation, its subsidiaries, branches, divisions, and affiliates.

(7) For purposes of this section, the term "executive or administrative personnel" means individuals employed by a corporation who are paid on a salary, rather than hourly, basis and who have policymaking, managerial, professional, or supervisory responsibilities.

CONTRIBUTIONS BY GOVERNMENT CONTRACTORS

SEC. [322.] 317. (a) It shall be unlawful for any person—

(1) who enters into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (A) the completion of performance under; or (B) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land, or buildings, directly or indirectly to make any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

(2) knowingly to solicit any such contribution from any such person for any such purpose during any such period.

(b) This section does not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any corporation, labor organization, membership organization, cooperative, or corporation without capital stock for the purpose of influencing the nomination for election, or election, of any person to Federal office, unless the provisions of section 321 prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, such fund. Each specific prohibition, allowance, and duty applicable to a corporation, labor organization, or separate segregated fund under section 321 applies to a corporation, labor organization, or separate segregated fund to which this subsection applies.

(c) For purposes of this section, the term "labor organization" has the meaning given it by section 321 (b) (1).

PUBLICATION OR DISTRIBUTION OF POLITICAL STATEMENTS

[SEC. 323. Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or

defeat of a clearly identified candidate through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

【(1) if authorized by a candidate, his authorized political committees, or their agents, shall clearly and conspicuously, in accordance with regulations prescribed by the Commission, state that the communication has been authorized; or

【(2) if not authorized by a candidate, his authorized political committees, or their agents, shall clearly and conspicuously, in accordance with regulations prescribed by the Commission, state that the communication is not authorized by any candidate, and state the name of the person who made or financed the expenditure for the communication, including, in the case of a political committee, the name of any affiliated or connected organization required to be disclosed under section 303(b) (2).】

SEC. 318. (a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

(1) if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such authorized political committee;

(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

(b) No person who sells space in a newspaper or magazine to a candidate or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.

CONTRIBUTIONS BY FOREIGN NATIONALS

SEC. [324.] 319. (a) It shall be unlawful for a foreign national directly or through any other person to make any contribution of money or other thing of value, or to promise expressly or impliedly to make any such contribution, in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office; or for any person to solicit, accept, or receive any such contribution from a foreign national.

- (b) As used in this section, the term "foreign national" means—
- (1) a foreign principal, as such term is defined by section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 (b)), except that the term "foreign national" shall not include any individual who is a citizen of the United States; or
 - (2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).

PROHIBITION OF CONTRIBUTIONS IN NAME OF ANOTHER

SEC. [325] 320. No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person. (2 U.S.C. 441f)

LIMITATION ON CONTRIBUTION OF CURRENCY

SEC. [326] 321. No person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

FRAUDULENT MISREPRESENTATION OF CAMPAIGN AUTHORITY

SEC. [327] 322. No person who is a candidate for Federal office or an employee or agent of such a candidate shall—

- (1) fraudulently misrepresent himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or
- (2) willfully and knowingly participate in or conspire to participate in any plan, scheme, or design to violate paragraph (1).

ACCEPTANCE OF EXCESSIVE HONORARIUMS

SEC. [328.] 323. (a) No person while an elected or appointed officer or employee of any branch of the Federal Government shall accept—

- (1) any honorarium of more than \$2,000 (excluding amounts accepted for actual travel and subsistence expenses for such person and his spouse or an aide to such person, and excluding amounts paid or incurred for any agents' fees or commissions) for any appearance, speech, or article; or
- (2) honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$25,000 in any calendar year. (2 441i)

(b) If an honorarium payable to a person is paid instead at his request to a charitable organization selected by payor from a list of 5 or more charitable organizations provided by that person, that person

shall not be treated, for purposes of subsection (a), as accepting that honorarium. For purposes of this subsection, the term 'charitable organization' means an organization described in section 170(c) of the Internal Revenue Code of 1954.

(c) For purposes of determining the aggregate amount of honorariums received by a person during any calendar year, amounts returned to the person paying an honorarium before the close of the calendar year in which it was received shall be disregarded.

(d) For purposes of paragraph (2) of subsection (a), an honorarium shall be treated as accepted only in the year in which that honorarium is received.

【PENALTY FOR VIOLATIONS

【SEC. 329. (a) Any person, following the date of the enactment of this section, who knowingly and willfully commits a violation of any provision or provisions of this Act which involves the making, receiving, or reporting of any contribution or expenditure having a value in an amount which does not exceed the greater of \$25,000 or 300 percent of the amount of any contribution or expenditure involved in such violation, imprisoned for not more than 1 year, or both. In the case of a knowing and willful violation of section 321(b)(3), including such a violation of the provisions of such section as applicable through section 322(b), of section 325, or of section 326, the penalties set forth in this section shall apply to a violation involving an amount having a value in the aggregate of \$250 or more during a calendar year. In the case of a knowing and willful violation of section 327, the penalties set forth in this section shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

【(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 313 which specifically deals with the act or failure to act constituting such offense and which is still in effect.

【(c) In any criminal action brought for a violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the offense and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

【(1) the specific act or failure to act which constitutes the offense for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under section 313;

【(2) the conciliation agreement is in effect; and

【(3) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement.】

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SECTION 6 OF THE DEPARTMENT OF STATE APPROPRIATIONS AUTHORIZATION ACT OF 1973

AMBASSADORS AND MINISTERS

SEC. 6. From and after the date of enactment of this Act, each person appointed by the President as ambassador or minister shall, at the time of his nomination, file with the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives a report of contributions made by such person and by members of his immediate family during the period beginning on the first day of the fourth calendar year preceding the calendar year of his nomination and ending on the date of his nomination, which report shall be verified by the oath or affirmation of such person, taken before any officer authorized to administer oaths. The Chairman of the Committee on Foreign Relations of the Senate shall have printed in the Congressional Record each such report. As used in this section, the term "contribution" has the same meaning given such term by section 301 [(e)] (8) of the Federal Election Campaign Act of 1971, and the term "immediate family" means a person's spouse, and any child, parent, grandparent, brother, or sister of such person and the spouses of any of them.

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SECTION 403 OF THE DOMESTIC VOLUNTEER SERVICE ACT

POLITICAL ACTIVITIES

SEC. 403. (a) No part of any funds appropriated to carry out this Act, or any program administered by the ACTION Agency, shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office, or any voter registration activity, or to pay the salary of any officer or employee of the ACTION Agency, who, in his official capacity as such an officer or employee, engages in any such activity. As used in this section, the term "election" has the same meaning given such term by section 301 [(a)] (1) of the Federal Election Campaign Act of 1971 (Public Law 92-225), and the term "Federal office" has the same meaning given such term by section 301 [(e)] (3) of such Act.

(b) Programs assisted under this Act shall not be carried on in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or (3) any voter registration activity. The Director, after consultation with the Civil Service Commission, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance for no more than thirty days until notice and an oppor-

tunity to be heard can be provided or other action necessary to permit enforcement on an emergency basis.

TITLE 18, UNITED STATES CODE

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Part I—Crimes

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CHAPTER 29—ELECTIONS AND POLITICAL ACTIVITIES

Sec.

[591. Definitions.]

592. Troops at polls.

593. Interference by armed forces.

594. Intimidation of voters.

595. Interference by administrative employees of Federal, State, or Territorial Governments.

596. Polling armed forces.

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598. Coercion by means of relief appropriations.

599. Promise of appointment by candidate.

600. Promise of employment or other benefit for political activity.

601. Deprivation of employment or other benefit for political contribution.

602. Solicitation of political contributions.

603. Place of solicitation.

604. Solicitation from persons on relief.

605. Disclosure of names of persons on relief.

606. Intimidation to secure political contributions.

607. Making political contributions.

[§ 591. Definitions

[Except as otherwise specifically provided, when use in this section and in sections 597, 599, 600, and 602 of this title—

[(a) “election” means (1) a general, special, primary, or run-off election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, or (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President;

[(b) “candidate” means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, to Federal office, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

[(c) “Federal office” means the office of President or Vice President of the United State, or Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

[(d) "political committee" means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;

[(e) "contribution"—

[(1) means a gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, which shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

[(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

[(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

[(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose, except that this paragraph shall not apply in the case of legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, nor shall this paragraph apply in the case of legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Federal Election Campaign Act of 1971 or chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported in accordance with the requirements of section 304(b) of the Federal Election Campaign Act of 1971; but

[(5) does not include—

[(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

[(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

[(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor;

[(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate, or

[(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

to the extent that the cumulative value of activities by any person on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;

[(f) "expenditure"—

[(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

[(2) means a contract, promise, or agreement, express, or implied, whether or not legally enforceable, to make any expenditure; and

[(3) means the transfer of funds by a political committee to another political committee; but

[(4) does not include—

[(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

【(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

【(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office;

【(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

【(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

【(F) the payment, by any person other than a candidate or political committee, of compensation for legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, or the payment for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Federal Election Campaign Act of 1971 or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported under section 304 (b) of the Federal Election Campaign Act of 1971;

【(G) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office;

【(H) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

【(I) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate,

except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 320(b) of the Federal Election Campaign Act of 1971; or

[(J) any costs incurred by a political committee (as such term is defined under section 320(a)(2) of the Federal Election Campaign Act of 1971) with respect to the solicitation of contributions to such political committee or to any general political fund controlled by such political committee, except that this clause shall not apply to exempt costs incurred with respect to the solicitation of contributions to any such political committee made through broadcasting stations, newspapers, magazines, outdoor advertising facilities, and other similar types of general public political advertising;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (D) or (E) does not exceed \$500 with respect to any election;

[(g) "person" and "whoever" mean an individual, partnership, committee, association, corporation, or any other organization or group of persons;

[(h) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States; and

[(i) "political party" means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization;

[(j) "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Federal Election Commission;

[(k) "national committee" means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Federal Election Commission established under section 309(a) of the Federal Election Campaign Act of 1971; and

[(l) "principal campaign committee" means the principal campaign committee designated by a candidate under section 302(f)(1) of the Federal Election Campaign Act of 1971.]

* * * * *

§ 602. Solicitation of political contributions

[Whoever, being a Senator or Representative in, or Delegate or Resident Commissioner to, or a candidate for Congress, or individual elected as, Senator, Representative, Delegate, or Resident Commissioner, or an officer or employee of the United States or any department or agency thereof, or a person receiving any salary or compensation for services from money derived from the Treasury of the United States, directly or indirectly solicits, receives, or is in any manner concerned in soliciting or receiving, any assessment, subscription, or

contribution for any political purpose whatever, from any other such officer, employee, or person, shall be fined not more than \$5,000 or imprisoned not more than three years or both.】

SOLICITATION OF POLITICAL CONTRIBUTIONS

SEC. 602. It shall be unlawful for—

(1) a candidate for the Congress;

(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

(3) an officer or employee of the United States or any department or agency thereof; or

(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States; to solicit any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employer, or person. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

【§ 603. Place of solicitation

【Whoever, in any room or building occupied in the discharge of official duties by any person mentioned in section 602 of this title, or in any navy yard, fort, or arsenal, solicits or receives any contribution of money or other thing of value for any political purpose, shall be fined not more than \$5,000 or imprisoned not more than three years, or both.】

MAKING POLITICAL CONTRIBUTIONS

SEC. 603. It shall be unlawful for any officer, clerk, or other person in the employ of the United States or any department or agency thereof to make a contribution within the meaning of section 301(8) to any other such officer, clerk, or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, unless such contribution is voluntary: Provided, however, That no contribution, voluntary or otherwise, may be made by any such officer, clerk, or person to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, or their authorized committee within the meaning of section 302(e)(1) of the Federal Election Campaign Act of 1971, if that person authorizing such committee is the employer or employing authority of the person making such contribution. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

* * * * *

【§ 607. Making political contributions

【Whoever, being an officer, clerk, or other person in the service of the United States or any department or agency thereof, directly or indirectly gives or hands over to any other officer, clerk, or person in the service of the United States, or to any Senator or Member of or Delegate to Congress, or Resident Commissioner, any money or other valuable thing on account of or to be applied to the promotion of any political object, shall be fined not more than \$5,000 or imprisoned not more than three years, or both.】

PLACE OF SOLICITATION

SEC. 607. (a) It shall be unlawful for—

- (1) a candidate for the Congress;*
- (2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;*
- (3) an officer or employee of the United States or any department or agency thereof; or*
- (4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States to solicit or receive any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 in any room or building occupied in the discharge of official duties by any such person, or in any navy yard, fort, or arsenal. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.*

(b) The prohibition in subsection (a) shall not apply to any contributions received by mail in any room, building, or other facility referred to in subsection (a) provided such contribution was not solicited in any such room, building, or other facility and provided such contribution is delivered, within seven days of receipt, to a political committee within the meaning of section 301(4) of the Federal Election Campaign Act of 1971.

* * * * *

SECTION 9008 OF TITLE 26, UNITED STATES CODE

SEC. 9008. PAYMENTS FOR PRESIDENTIAL NOMINATING CONVENTIONS.

(a) ESTABLISHMENT OF ACCOUNTS.—* * *

(b) ENTITLEMENT TO PAYMENTS FROM THE FUND.—

(1) MAJOR PARTIES.—Subject to the provisions of this section, the national committee of a major party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed **[\$2,000,000] \$3,000,000.**

(2) MINOR PARTIES.—Subject to the provisions of this section, the national committee of a minor party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a major party is entitled to receive under paragraph (1) as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by the candidates for President of the United States of the major parties in the preceding presidential election.

(3) PAYMENTS.—Upon receipt of certification from the Commission under subsection (g), the Secretary shall make payments from the appropriate account maintained under subsection (a) to

the national committee of a major party or minor party which elects to receive its entitlement under this subsection. Such payments shall be available for use by such committee in accordance with the provisions of subsection (c).

(4) **LIMITATION.**—Payments to the national committee of a major party or minor party under this subsection from the account designated for such committee shall be limited to the amounts in such account at the time of payment.

(5) **ADJUSTMENT OF ENTITLEMENTS.**—The entitlements established by this subsection shall be adjusted in the same manner as expenditure limitations established by section 320(b) and section 320(d) of the Federal Election Campaign Act of 1971 are adjusted pursuant to the provisions of section 320(c) of such Act.

* * * * *

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H.R. 5010

SEPTEMBER 7, 1979

Union Calendar No. 240

96TH CONGRESS
1ST SESSION

H. R. 5010

[Report No. 96-422]

To amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1979

Mr. THOMPSON (for himself, Mr. BRADEMAS, Mr. HAWKINS, Mr. ANNUNZIO, Mr. GAYDOS, Mr. JONES of Tennessee, Mr. MOLLOHAN, Mr. VAN DEEBLIN, Mr. MINISH, Mr. DAVIS of South Carolina, Mr. ROSE, Mr. JOHN L. BURTON, Mr. PEYSER, Mr. RATCHFORD, Mr. FAZIO, Mr. DICKINSON, Mr. CLEVELAND, Mr. FRENZEL, Mr. STOCKMAN, Mr. BADHAM, Mr. GINGRICH, Mr. LEWIS, Mr. CAMPBELL, and Mr. LOEFFLER) introduced the following bill; which was referred to the Committee on House Administration

SEPTEMBER 7, 1979

Additional sponsor: Mr. NEDZI

SEPTEMBER 7, 1979

Reported with an amendment, committed to the Whole House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*
 3 ~~That this Act may be cited as the "Federal Election Cam-~~
 4 ~~paign Act Amendments of 1979".~~

5 ~~TITLE I—AMENDMENTS TO FEDERAL ELECTION~~
 6 ~~CAMPAIGN ACT OF 1971~~

7 ~~DEFINITIONS~~

8 ~~SEC. 101. Section 301 of the Federal Election Cam-~~
 9 ~~paign Act of 1971 (2 U.S.C. 431), hereinafter in this Act~~
 10 ~~referred to as the "Act", is amended to read as follows:~~

11 ~~"DEFINITIONS~~

12 ~~"SEC. 301. When used in this Act:~~

13 ~~"(1) The term 'election' means—~~

14 ~~"(A) a general, special, primary, or runoff elec-~~
 15 ~~tion;~~

16 ~~"(B) a convention or caucus of a political party~~
 17 ~~which has authority to nominate a candidate;~~

18 ~~"(C) a primary election held for the selection of~~
 19 ~~delegates to a national nominating convention of a po-~~
 20 ~~litical party; and~~

1 “(D) a primary election held for the expression of
2 a preference for the nomination of individuals for elec-
3 tion to the office of President.

4 “(2) The term ‘candidate’ means an individual who
5 seeks nomination for election, or election, to Federal office,
6 and for purposes of this paragraph, an individual shall be
7 deemed to seek nomination for election, or election—

8 “(A) if such individual has received contributions
9 aggregating in excess of \$5,000 or has made expendi-
10 tures aggregating in excess of \$5,000; or

11 “(B) if such individual has given his or her con-
12 sent to another person to receive contributions or make
13 expenditures on behalf of such individual and if such
14 person has received such contributions aggregating in
15 excess of \$5,000 or has made such expenditures aggre-
16 gating in excess of \$5,000.

17 “(3) The term ‘Federal office’ means the office of Presi-
18 dent or Vice President, or of Senator or Representative in, or
19 Delegate or Resident Commissioner to, the Congress.

20 “(4) The term ‘political committee’ means—

21 “(A) any committee, club, association, or other
22 group of persons which receives contributions aggre-
23 gating in excess of \$1,000 during a calendar year or
24 which makes expenditures aggregating in excess of
25 \$1,000 during a calendar year; or

1 “(B) any separate segregated fund established
2 under the provisions of section 317; or

3 “(C) any local committee of a political party
4 which receives contributions aggregating in excess of
5 \$5,000 during a calendar year, or makes payments
6 exempted from the definition of expenditure aggregat-
7 ing in excess of \$5,000 during a calendar year, or
8 makes contributions or expenditures aggregating in
9 excess of \$1,000 during a calendar year.

10 “(5) The term ‘principal campaign committee’ means a
11 political committee designated and authorized by a candidate
12 under section 302(e)(1).

13 “(6) The term ‘authorized committee’ means the princi-
14 pal campaign committee or any other political committee au-
15 thorized by a candidate under section 302(e)(1) to receive
16 contributions or make expenditures on behalf of such candi-
17 date.

18 “(7) The term ‘connected organization’ means any orga-
19 nization which is not a political committee but which directly
20 or indirectly establishes, administers, or financially supports a
21 political committee.

22 “(8)(A) The term ‘contribution’ includes—

23 “(i) any gift, subscription, loan, advance, or de-
24 posit of money or anything of value made by any

1 person for the purpose of influencing any election for
2 Federal office; or

3 “(ii) the payment by any person of compensation
4 for the personal services of another person which are
5 rendered to a political committee without charge for
6 any purpose.

7 “(B) The term ‘contribution’ does not include—

8 “(i) the value of services provided without com-
9 pensation by any individual who volunteers on behalf
10 of a candidate or political committee;

11 “(ii) the use of real or personal property, and the
12 cost of invitations, food, and beverages, voluntarily
13 provided by an individual to any candidate or any po-
14 litical committee of a political party in rendering volun-
15 tary personal services on the individual’s residential
16 premises for candidate-related or political party-related
17 activities, to the extent that the cumulative value of
18 such invitations, food, and beverages provided by such
19 individual on behalf of any single candidate does not
20 exceed \$1,000 with respect to any single election, and
21 on behalf of all political committees of a political party
22 does not exceed \$2,000 in any calendar year;

23 “(iii) the sale of any food or beverage by a vendor
24 for use in any candidate’s campaign or for use by any
25 political committee of a political party at a charge less

1 than the normal comparable charge, if such charge is
2 at least equal to the cost of such food or beverage to
3 the vendor, to the extent that the cumulative value of
4 such activity by such vendor on behalf of any single
5 candidate does not exceed \$1,000 with respect to any
6 single election, and on behalf of all political committees
7 of a political party does not exceed \$2,000 in any cal-
8 endar year;

9 “(iv) any unreimbursed payment for travel ex-
10 penses made by any individual on behalf of any candi-
11 date or any political committee of a political party, to
12 the extent that the cumulative value of such activity by
13 such individual on behalf of any single candidate does
14 not exceed \$1,000 with respect to any single election,
15 and on behalf of all political committees of a political
16 party does not exceed \$2,000 in any calendar year;

17 “(v) the payment by a State or local committee of
18 a political party of the costs of preparation, display, or
19 mailing or other distribution incurred by such commit-
20 tee with respect to a printed slate card or sample
21 ballot, or other printed listing, of 3 or more candidates
22 for any public office for which an election is held in the
23 State in which such committee is organized, except
24 that this clause shall not apply to any cost incurred by
25 such committee with respect to a display of any such

1 listing made on broadcasting stations, or in newspa-
2 pers, magazines, or similar types of general public po-
3 litical advertising;

4 “(vi) any payment made or obligation incurred by
5 a corporation or a labor organization which, under sec-
6 tion 317(b), would not constitute an expenditure by
7 such corporation or labor organization;

8 “(vii) any loan of money by a State bank, a feder-
9 ally chartered depository institution, or a depository in-
10 stitution the deposits or accounts of which are insured
11 by the Federal Deposit Insurance Corporation, Federal
12 Savings and Loan Insurance Corporation, or the Na-
13 tional Credit Union Administration, other than any
14 overdraft made with respect to a checking or savings
15 account, made in accordance with applicable law and
16 in the ordinary course of business, but such loan—

17 “(I) shall be considered a loan by each en-
18 dorser or guarantor, in that proportion of the
19 unpaid balance that each endorser or guarantor
20 bears to the total number of endorsers or guaran-
21 tors;

22 “(II) shall be made on a basis which assures
23 repayment, evidenced by a written instrument,
24 and subject to a due date or amortization sched-
25 ule; and

1 “(III) shall bear the usual and customary in-
2 terest rate of the lending institution;

3 “(viii) any gift, subscription, loan, advance, or de-
4 posit of money or anything of value to a national or a
5 State committee of a political party specifically desig-
6 nated to defray any cost for construction or purchase of
7 any office facility not acquired for the purpose of influ-
8 encing the election of any candidate in any particular
9 election for Federal office,

10 “(ix) any legal or accounting services rendered to
11 or on behalf of—

12 “(I) any political committee of a political
13 party if the person paying for such services is the
14 regular employer of the person rendering such
15 services and if such services are not attributable
16 to activities which directly further the election of
17 any designated candidate to Federal office; or

18 “(II) an authorized committee of a candidate
19 or any other political committee, if the person
20 paying for such services is the regular employer
21 of the individual rendering such services and if
22 such services are solely for the purpose of ensur-
23 ing compliance with this Act or chapter 95 or
24 chapter 96 of the Internal Revenue Code of 1954,

1 but amounts paid or incurred by the regular employer
 2 for such legal or accounting services shall be reported
 3 in accordance with section 304(b) by the committee re-
 4 ceiving such services;

5 “(x) the payment by a State or local committee of
 6 a political party of the costs of campaign materials
 7 (such as pins, bumper stickers, handbills, brochures,
 8 posters, party tabloids, and yard signs) used by such
 9 committee in connection with volunteer activities on
 10 behalf of nominees of such party: *Provided, That—*

11 “(1) such payments are not for the costs of
 12 campaign materials or activities used in connec-
 13 tion with any broadcasting, newspaper, magazine,
 14 billboard, direct mail, or similar type of general
 15 public communication or political advertising;

16 “(2) such payments are made from contribu-
 17 tions subject to the limitations and prohibitions of
 18 this Act; and

19 “(3) such payments are not made from con-
 20 tributions designated to be spent on behalf of a
 21 particular candidate or particular candidates; for
 22 nomination or election to any public office (includ-
 23 ing State or local office);

24 “(xi) the payment by a candidate, or authorized
 25 committee of a candidate, of the costs of campaign ma-

1 materials which include information on or reference to any
2 other candidate and which are used in connection with
3 volunteer activities (including pins, bumper stickers,
4 handbills, brochures, posters, and yard signs, but not
5 including the use of broadcasting, newspapers, maga-
6 zines, billboards, direct mail, or similar types of gener-
7 al public communication or political advertising): *Pro-*
8 *vided,* That such payments are made from contribu-
9 tions subject to the limitations and prohibitions of this
10 Act.

11 “(xii) the payment by a State or local committee
12 of a political party of the costs of voter registration
13 and get-out-the-vote activities conducted by such com-
14 mittee primarily on behalf of nominees of such party
15 for President and Vice President: *Provided,* That—

16 “(1) such payments are not for the costs of
17 campaign materials or activities used in connec-
18 tion with any broadcasting, newspaper, magazine,
19 billboard, direct mail or similar type of general
20 public communication or political advertising;

21 “(2) such payments are made from contribu-
22 tions subject to the limitations and prohibitions of
23 this Act; and

1 “(8) such payments are not made from con-
2 tributions designated to be spent on behalf of a
3 particular candidate or candidates; and

4 “(xiii) any honorarium (within the meaning of sec-
5 tion 441i of this title).

6 “(9)(A) The term ‘expenditure’ includes—

7 “(i) any purchase, payment, distribution, loan, ad-
8 vance, deposit, or gift of money or anything of value,
9 made by any person for the purpose of influencing any
10 election for Federal office; and

11 “(ii) means a written contract, promise, or agree-
12 ment to make an expenditure.

13 “(B) The term ‘expenditure’ does not include—

14 “(i) any news story, commentary, or editorial dis-
15 tributed through the facilities of any broadcasting sta-
16 tion, newspaper, magazine, or other periodical publica-
17 tion, unless such facilities are owned or controlled by
18 any political party, political committee, or candidate;

19 “(ii) nonpartisan activity designed to encourage
20 individuals to vote or to register to vote;

21 “(iii) any communication by any membership or-
22 ganization or corporation to its members, stockholders,
23 or executive or administrative personnel, if such mem-
24 bership organization or corporation is not organized
25 primarily for the purpose of influencing the nomination

1 for election, or election, of any individual to Federal
2 office, except that the costs incurred by a membership
3 organization (including a labor organization) or by a
4 corporation directly attributable to a communication
5 expressly advocating the election or defeat of a clearly
6 identified candidate (other than a communication pri-
7 marily devoted to subjects other than the express advo-
8 cacy of the election or defeat of a clearly identified
9 candidate), shall, if such costs exceed \$2,000 for any
10 election, be reported to the Commission in accordance
11 with section 304(a)(4)(A)(i), and in accordance with
12 section 304(a)(4)(A)(ii) with respect to any general
13 election;

14 “(iv) the payment by a State or local committee
15 of a political party of the costs of preparation, display,
16 or mailing or other distribution incurred by such com-
17 mittee with respect to a printed slate card or sample
18 ballot, or other printed listing, of 3 or more candidates
19 for any public office for which an election is held in the
20 State in which such committee is organized, except
21 that this clause shall not apply to costs incurred by
22 such committee with respect to a display of any such
23 listing made on broadcasting stations, or in newspa-
24 pers, magazines, or similar types of general public po-
25 litical advertising;

1 “(v) any payment made or obligation incurred by
2 a corporation or a labor organization which, under sec-
3 tion 317(b), would not constitute an expenditure by
4 such corporation or labor organization;

5 “(vi) any costs incurred by an authorized commit-
6 tee or candidate in connection with the solicitation of
7 contributions on behalf of such candidate, except that
8 this clause shall not apply with respect to costs in-
9 curred by an authorized committee of a candidate in
10 excess of an amount equal to 20 percent of the ex-
11 penditure limitation applicable to such candidate under
12 section 316(b), but all such costs shall be reported in
13 accordance with section 304(b);

14 “(vii) the payment of compensation for legal or
15 accounting services—

16 “(I) rendered to or on behalf of any political
17 committee of a political party if the person paying
18 for such services is the regular employer of the
19 individual rendering such services, and if such
20 services are not attributable to activities which di-
21 rectly further the election of any designated candi-
22 date to Federal office; or

23 “(II) rendered to or on behalf of a candidate
24 or political committee if the person paying for
25 such services is the regular employer of the indi-

1 vidual rendering such services; if such services are
2 solely for the purpose of ensuring compliance with
3 this Act or chapter 95 or chapter 96 of the Inter-
4 nal Revenue Code of 1954,

5 but amounts paid or incurred by the regular employer
6 for such legal or accounting services shall be reported
7 in accordance with section 304(b) by the committee re-
8 ceiving such services;

9 “(viii) the payment by a State or local committee
10 of a political party of the costs of campaign materials
11 (such as pins, bumper stickers, handbills, brochures,
12 posters, party tabloids, and yard signs) used by such
13 committee in connection with volunteer activities on
14 behalf of nominees of such party: *Provided, That*--

15 “(1) such payments are not for the costs of
16 campaign materials or activities used in connec-
17 tion with any broadcasting, newspaper, magazine,
18 billboard, direct mail or similar type of general
19 public communication or political advertising;

20 “(2) such payments are made from contribu-
21 tions subject to the limitations and prohibitions of
22 this Act; and

23 “(3) such payments are not made from con-
24 tributions designated to be spent on behalf of a
25 particular candidate or particular candidates;

1 “(ix) the payment by a State or local committee
2 of a political party of the costs of voter registration
3 and get-out-the-vote activities conducted by such com-
4 mittee primarily on behalf of nominees of such party
5 for President and Vice-President: *Provided, That—*

6 “(1) such payments are not for the costs of
7 campaign materials or activities used in connec-
8 tion with any broadcasting, newspaper, magazine,
9 billboard, direct mail or similar type of general
10 public communication or political advertising;

11 “(2) such payments are made from contribu-
12 tions subject to the limitations and prohibitions of
13 this Act; and

14 “(3) such payments are not made from con-
15 tributions designated to be spent on behalf of a
16 particular candidate or candidates.

17 “(10) The term ‘Commission’ means the Federal Elec-
18 tion Commission.

19 “(11) The term ‘person’ includes an individual, partner-
20 ship, committee, association, corporation, labor organization,
21 or any other organization or group of persons, but such term
22 does not include the Federal Government or any authority of
23 the Federal Government.

1 “(12) The term ‘State’ means a State of the United
2 States, the District of Columbia, the Commonwealth of
3 Puerto Rico, or a territory or possession of the United States.

4 “(13) The term ‘identification’ means—

5 “(A) in the case of any individual, the name, the
6 mailing address, and the occupation of such individual
7 as well as the name of his or her employer; and

8 “(B) in the case of any other person, the full
9 name and address of such person.

10 “(14) The term ‘national committee’ means the organi-
11 zation which, by virtue of the bylaws of a political party, is
12 responsible for the day-to-day operation of such political
13 party at the national level, as determined by the Commission.

14 “(15) The term ‘State committee’ means the organiza-
15 tion which, by virtue of the bylaws of a political party, is
16 responsible for the day-to-day operation of such political
17 party at the State level, as determined by the Commission.

18 “(16) The term ‘political party’ means an association,
19 committee, or organization which nominates a candidate for
20 election to any Federal office whose name appears on the
21 election ballot as the candidate of such association, commit-
22 tee, or organization.

23 “(17) The term ‘independent expenditure’ means an ex-
24 penditure by a person expressly advocating the election or
25 defeat of a clearly identified candidate which is made without

1 cooperation or consultation with any candidate, or any au-
 2 thorized committee or agent of such candidate, and which is
 3 not made in concert with, or at the request or suggestion of,
 4 any candidate, or any authorized committee or agent of such
 5 candidate.

6 “(18) The term ‘clearly identified’ means that—

7 “(A) the name of the candidate involved appears;

8 “(B) a photograph or drawing of the candidate ap-
 9 pears; or

10 “(C) the identity of the candidate is apparent by
 11 unambiguous reference.

12 “(19) The term ‘Act’ means the Federal Election Cam-
 13 paign Act of 1971 as amended by the Federal Election Cam-
 14 paign Act Amendments of 1974, the Federal Election Cam-
 15 paign Act Amendments of 1976, and the Federal Election
 16 Campaign Act Amendments of 1979.

17 ORGANIZATION OF POLITICAL COMMITTEES

18 SEC. 102. Section 302 of the Act (2 U.S.C. 432) is
 19 amended to read as follows:

20 “ORGANIZATION OF POLITICAL COMMITTEES

21 “SEC. 302. (a) Every political committee shall have a
 22 treasurer. No contribution or expenditure shall be accepted or
 23 made by or on behalf of a political committee during any
 24 period in which the office of treasurer is vacant. No expendi-
 25 ture shall be made for or on behalf of a political committee

1 without the authorization of the treasurer or his or her desig-
2 nated agent.

3 “(b) Every person who receives a contribution for a po-
4 litical committee, shall, no later than 10 days after receiving
5 the contribution, forward to the treasurer the contribution,
6 the name and address of the person making the contribution
7 (if the amount of the contribution is in excess of \$50), and the
8 date of receipt of the contribution. All funds of a political
9 committee shall be segregated from, and may not be examin-
10 gled with, the personal funds of any individual.

11 “(c) The treasurer of a political committee shall keep an
12 account of—

13 “(1) all contributions received by or on behalf of
14 such political committee;

15 “(2) the name and address of any person who
16 makes any contribution in excess of \$50, together with
17 the date and amount of such contribution by any
18 person;

19 “(3) the identification of any person who makes a
20 contribution or contributions aggregating more than
21 \$100 during a calendar year, together with the date
22 and amount of any such contribution;

23 “(4) the identification of any political committee
24 which makes a contribution, together with the date and
25 amount of any such contribution;

1 “(5) the name and address of every person to
2 whom any expenditure is made, the date, amount, and
3 purpose of the disbursement, and the name of the can-
4 didate and the office sought by the candidate, if any,
5 for whom the expenditure was made, including a re-
6 ceipt, invoice, or canceled check for each disbursement
7 in excess of \$100.

8 “(d) The treasurer shall preserve all records required to
9 be kept by this section and copies of all reports required to be
10 filed by this title for 3 years after the report is filed.

11 “(e)(1) Each candidate for Federal office (other than the
12 nominee for the office of Vice President) shall designate in
13 writing a political committee in accordance with paragraph
14 (3) to serve as the principal campaign committee of such can-
15 didate. Such designation shall be made no later than 15 days
16 after becoming a candidate. A candidate may designate addi-
17 tional political committees in accordance with paragraph (3)
18 to serve as authorized committees of such candidate. Such
19 designation shall be in writing and filed with the principal
20 campaign committee of such candidate in accordance with
21 section (f)(1).

22 “(2) Any candidate described in paragraph (1) who re-
23 ceives a contribution, or any loan for use in connection with
24 the campaign of such candidate for election, or makes a dis-
25 bursement in connection with such campaign, shall be consid-

1 ered, for purposes of this title, as having received the contri-
2 bution or loan, or as having made the disbursement, as the
3 case may be, as an agent of the authorized committee or
4 committees of such candidate.

5 “(3)(A) No political committee which supports or has
6 supported more than one candidate may be designated as an
7 authorized committee, except that—

8 “(i) the candidate for the office of President nomi-
9 nated by a political party may designate the national
10 committee of such political party as a principal cam-
11 paign committee; and

12 “(ii) candidates may designate a political commit-
13 tee established solely for the purpose of joint fundrais-
14 ing by such candidates as an authorized committee.

15 “(B) As used in this section, the term ‘support’ does not
16 include a contribution by any authorized committee in
17 amounts not exceeding \$1,000 to an authorized committee of
18 any other candidate.

19 “(4) The name of each authorized committee shall in-
20 clude the name of the candidate who authorized such com-
21 mittee under paragraph (1). In the case of any political com-
22 mittee which is not an authorized committee, such political
23 committee shall not include the name of any candidate in its
24 name.

1 ~~“(5)~~ The name of any separate segregated fund estab-
2 lished pursuant to section 317(b) shall include the name of its
3 connected organization.

4 ~~“(f)(1)~~ Notwithstanding any other provision of this title,
5 each designation, statement, or report of receipts or disburse-
6 ments made by an authorized committee of a candidate shall
7 be filed with the candidate’s principal campaign committee.

8 ~~“(2)~~ Each principal campaign committee shall receive
9 all designations, statements, and reports required to be filed
10 with it under paragraph (1) and shall compile and file such
11 designations, statements, and reports in accordance with this
12 title.

13 ~~“(g)(1)~~ Designations, statements, and reports required to
14 be filed under this title by a candidate or by an authorized
15 committee of a candidate for the office of Representative in,
16 or Delegate or Resident Commissioner to, the Congress, and
17 by the principal campaign committee of such a candidate,
18 shall be filed with the Clerk of the House of Representatives,
19 who shall receive such designations, statements, and reports
20 as custodian for the Commission.

21 ~~“(2)~~ Designations, statements, and reports required to
22 be filed under this title by a candidate for the office of Sena-
23 tor, and by the principal campaign committee of such candi-
24 date, shall be filed with the Secretary of the Senate, who

1 shall receive such designations, statements, and reports, as
2 custodian for the Commission.

3 “(3) The Clerk of the House of Representatives and the
4 Secretary of the Senate shall forward a copy of any designa-
5 tion, statement, or report filed with them under this subsec-
6 tion to the Commission as soon as possible (but no later than
7 2 working days) after receiving such designation, statement,
8 or report.

9 “(4) All designations, statements, and reports required
10 to be filed under this title, except designations, statements,
11 and reports filed in accordance with paragraphs (1) and (2),
12 shall be filed with the Commission.

13 “(5) The Clerk of the House of Representatives and the
14 Secretary of the Senate shall make the designations, state-
15 ments, and reports received under this subsection available
16 for public inspection and copying in the same manner as the
17 Commission under section 311(a)(4), and shall preserve such
18 designations, statements, and reports in the same manner as
19 the Commission under section 311(a)(5).

20 “(h)(1) Each political committee shall designate one or
21 more State banks, federally chartered depository institutions,
22 or depository institutions the deposits or accounts of which
23 are insured by the Federal Deposit Insurance Corporation,
24 the Federal Savings and Loan Insurance Corporation, or the
25 National Credit Union Administration, as its campaign de-

1 after designation pursuant to section 302(e)(1). Each separate
2 segregated fund established under the provisions of section
3 317 shall file a statement of organization no later than 10
4 days after establishment. All other committees shall file a
5 statement of organization within 10 days after becoming a
6 political committee within the meaning of section 301(4):

7 “(b) The statement of organization of a political commit-
8 tee shall include—

9 “(1) the name, address, and type of committee;

10 “(2) the name, address, relationship, and type of
11 any connected organization or affiliated committee;

12 “(3) the name, address, and position of the custo-
13 dian of books and accounts of the committee;

14 “(4) the name and address of the treasurer of the
15 committee;

16 “(5) if the committee is authorized by a candidate,
17 the name, address, office sought, and party affiliation
18 of the candidate; and

19 “(6) a listing of all banks, safety deposit boxes, or
20 other repositories used by the committee.

21 “(c) Any change in information previously submitted in
22 a statement of organization shall be reported in accordance
23 with section 302(g) no later than 10 days after the date of
24 the change.

1 “(2) If the political committee is the principal campaign
2 committee of a candidate for the House of Representatives or
3 for the Senate—

4 “(A) in any calendar year during which there is
5 regularly scheduled election for which such candidate
6 is seeking election, or nomination for election, the
7 Treasurer shall file the following reports:

8 “(i) a pre-election report, which shall be filed
9 no later than the 12th day before (or posted by
10 registered or certified mail no later than the 15th
11 day before) any election in which such candidate
12 is seeking election, or nomination for election, and
13 which shall be complete as of the 20th day before
14 such election;

15 “(ii) a post-general election report, which
16 shall be filed no later than the 30th day after any
17 general election in which such candidate has
18 sought election, and which shall be complete as of
19 the 20th day after such general election; and

20 “(iii) additional quarterly reports, which shall
21 be filed no later than the 15th day after the last
22 day of each calendar quarter, and which shall be
23 complete as of the last day of each calendar quar-
24 ter; except that the report for the quarter ending

1 December 31 shall be filed no later than January
2 31 of the following calendar year; and

3 “(B) in any other calendar year the following re-
4 ports shall be filed:

5 “(i) a report covering the period beginning
6 January 1 and ending June 30, which shall be
7 filed no later than July 31; and

8 “(ii) a report covering the period beginning
9 July 1 and ending December 31, which shall be
10 filed no later than January 31 of the following
11 calendar year.

12 “(3) If the committee is the principal campaign commit-
13 tee of a candidate for the office of President—

14 “(A) in any calendar year during which a general
15 election is held to fill such office—

16 “(i) the treasurer shall file monthly reports if
17 such committee has on January 1 of such year,
18 received contributions aggregating \$100,000 or
19 made expenditures aggregating \$100,000 or an-
20 ticipates receiving contributions aggregating
21 \$100,000 or more or making expenditures aggre-
22 gating \$100,000 or more during such year: such
23 monthly reports shall be filed no later than the
24 20th day after the last day of each month and
25 shall be complete as of the last day of the month;

1 except that, in lieu of filing the report otherwise
2 due in November and December, a pre-general
3 election report shall be filed in accordance with
4 paragraph (2)(A)(i), a post-general election report
5 shall be filed in accordance with paragraph
6 (2)(A)(ii), and a year end report shall be filed no
7 later than January 31 of the following calendar
8 year;

9 “(ii) the treasurer of the other principal cam-
10 paign committees of a candidate for the office of
11 President shall file a pre-election report or reports
12 in accordance with paragraph (2)(A)(i), a post-
13 general election report in accordance with para-
14 graph (2)(A)(ii), and quarterly reports in accord-
15 ance with paragraph (2)(A)(iii); and

16 “(iii) if at any time during the election year a
17 committee filing under paragraph (3)(A)(i) receives
18 contributions in excess of \$100,000 or makes ex-
19 penditures in excess of \$100,000, the treasurer
20 shall begin filing monthly reports under paragraph
21 (3)(A)(ii) at the next pending period.

22 “(B) in any other calendar year, the treasurer
23 shall file either—

24 “(i) monthly reports, which shall be filed no
25 later than the 20th day after the last day of each

1 month and shall be complete as of the last day of
2 the month; or

3 “(ii) quarterly reports, which shall be filed no
4 later than the 15th day after the last day of each
5 calendar quarter and which shall be complete as
6 of the last day of each calendar quarter.

7 “(4) All political committees other than authorized com-
8 mittees of a candidate shall either—

9 “(A)(i) file quarterly reports, in a calendar year in
10 which a regularly scheduled general election is held,
11 which shall be filed no later than the 15th day after
12 the last day of each calendar quarter; except that the
13 report for the quarter ending on December 31 of such
14 calendar year shall be filed no later than January 31 of
15 the following calendar year;

16 “(ii) a pre-election report, which shall be filed no
17 later than the 12th day before (or posted by registered
18 or certified mail no later than the 15th day before) any
19 election in which the committee makes a contribution
20 to or expenditure on behalf of a candidate in such elec-
21 tion, and which shall be complete as of the 20th day
22 before the election;

23 “(iii) a post-general election report, which shall be
24 filed no later than the 30th day after the general elec-

1 tion and which shall be complete as of the 20th day
2 after such general election; and

3 “(iv) in any other calendar year, a report covering
4 the period beginning January 1 and ending June 30,
5 which shall be filed no later than July 31 and a report
6 covering the period beginning July 1 and ending De-
7 cember 31, which shall be filed no later than January
8 31 of the following calendar year; or

9 “(B) file monthly reports in all calendar years
10 which shall be filed no later than the 20th day after
11 the last day of the month and shall be complete as of
12 the last day of the month, except that, in lieu of filing
13 the reports otherwise due in November and December
14 of any year in which a regularly scheduled general
15 election is held, a pre-general election report shall be
16 filed in accordance with paragraph (2)(A)(i), a post-gen-
17 eral election report shall be filed in accordance with
18 paragraph (2)(A)(ii), and a year end report shall be
19 filed no later than January of the following calendar
20 year.

21 “(5) If designation, report, or statement filed pursuant
22 to this title (other than under paragraph (2)(A)(i)) is sent by
23 registered or certified mail, the United States postmark shall
24 be considered the date of filing of the designation, report, or
25 statement.

1 “(6)(A) The principal campaign committee of a candi-
2 date shall notify the Clerk, the Secretary, or the Commission,
3 and the Secretary of State, as appropriate, in writing, of any
4 contribution of \$1,000 or more received by any authorized
5 committee of such candidate after the 20th day, but more
6 than 48 hours before, any election. This notification shall be
7 made within 48 hours after the receipt of such contribution
8 and shall include the name of the candidate and the office
9 sought by the candidate, the identification of the contributor,
10 and the date of receipt and amount of the contribution.

11 “(B) The notification required under this paragraph
12 shall be in addition to all other reporting requirements under
13 this title.

14 “(7) The reports required to be filed by this subsection
15 shall be cumulative during the calendar year to which they
16 relate, but where there has been no change in an item report-
17 ed in a previous report during such year, only the amount
18 need be carried forward.

19 “(8) The requirement for a political committee to file a
20 quarterly report under paragraph (2)(A)(iii) or paragraph
21 (4)(A)(i) shall be waived if such committee is required to file a
22 pre-election report under paragraph (2)(A)(i), or paragraph
23 (4)(A)(ii) during the period beginning on the 5th day after the
24 close of the calendar quarter and ending on the 15th day
25 after the close of the calendar quarter.

1 “(9) The Commission shall set filing dates for reports to
2 be filed by principal campaign committees of candidates seek-
3 ing election, or nomination for election, in special elections
4 and political committees filing under paragraph (4)(A) which
5 make contributions to or expenditures on behalf of a candi-
6 date or candidate in special elections. The Commission shall
7 require no more than one pre-election report for each election
8 and one post-election report for the election which fills the
9 vacancy. The Commission may waive any reporting obliga-
10 tion of committees required to file for special elections if any
11 report required by subsection (2) or (4) is required to be filed
12 within 10 days of a report required under this subsection.
13 The Commission shall establish the reporting dates within 5
14 days of the setting of such election and shall publish such
15 dates and notify the principal campaign committees of all
16 candidates in such election of the reporting dates.

17 “(10) The treasurer of a committee supporting a candi-
18 date for the office of Vice President (other than the nominee
19 of a politically party shall file reports in accordance with sub-
20 section (3).

21 “(b) Each report under this section shall disclose-----

22 “(1) the amount of cash on hand at the beginning
23 of the reporting period;

1 “(2) for the reporting period and the calendar
2 year, the total amount of all receipts, and the total
3 amount of all receipts in the following categories:

4 “(A) contributions from persons other than
5 political committees;

6 “(B) for an authorized committee, contribu-
7 tions from the candidate;

8 “(C) contributions from political party com-
9 mittees;

10 “(D) contributions from other political com-
11 mittees;

12 “(E) for an authorized committee, transfers
13 from other authorized committees of the same
14 candidate;

15 “(F) transfers from affiliated committees and,
16 where the reporting committee is a political party
17 committee, transfers from other political party
18 committees, regardless of whether such commit-
19 tees are affiliated;

20 “(G) for an authorized committee, loans
21 made by or guaranteed by the candidate;

22 “(H) all other loans;

23 “(I) rebates, refunds, and other offsets to op-
24 erating expenditures;

1 “(J) dividends, interest, and other forms of
2 receipts; and

3 “(K) for an authorized committee of a candi-
4 date for the office of President, Federal funds re-
5 ceived under chapter 95 and chapter 96 of the In-
6 ternal Revenue Code of 1954;

7 “(3) the identification of each--

8 “(A) person (other than a political commit-
9 tee) who makes a contribution to the reporting
10 committee during the reporting period, whose
11 contribution or contributions have an aggregate
12 amount or value in excess of \$100 within the cal-
13 endar year, together with the date of receipt and
14 amount of any such contribution;

15 “(B) political committee which makes a con-
16 tribution to the reporting committee during the re-
17 porting period, together with the date of receipt
18 and amount of any such contribution;

19 “(C) authorized committee which makes a
20 transfer to the reporting committee;

21 “(D) affiliated committee which makes a
22 transfer to the reporting committee during the re-
23 porting period and, where the reporting committee
24 is a political party committee, each transfer of
25 funds to the reporting committee from another po-

1 litical party committee, regardless of whether
2 such committees are affiliated, together with the
3 date and amount of such transfer;

4 ~~“(E)~~ person who makes a loan to the report-
5 ing committee during the reporting period, togeth-
6 er with the identification of any endorser or guar-
7 antor of such loan, and the date and amount or
8 value of such loan;

9 ~~“(F)~~ person who provides a rebate, refund or
10 other offset to operating expenditures to the re-
11 porting committee in an aggregate amount of
12 value in excess of \$100 within the calendar year,
13 together with the date of receipt and amount of
14 such receipt;

15 ~~“(G)~~ person who provides any dividend, in-
16 terest, or other receipt to the reporting committee
17 in an aggregate value or amount in excess of
18 \$100 within the calendar year, together with the
19 date of receipt and amount of any such receipt;

20 ~~“(4)~~ for the reporting period and the calendar
21 year, the total amount of all disbursements, and all dis-
22 bursements in the following categories:

23 ~~“(A)~~ expenditures made to meet candidate or
24 committee operating expenses;

1 “(B) for authorized committees, transfers to
2 other committees authorized by the same candi-
3 date;

4 “(C) transfers to affiliated committees and,
5 where the reporting committee is a political party
6 committee, transfers to other political party com-
7 mittees, regardless of whether they are affiliated;

8 “(D) for an authorized committee, repayment
9 of loans made by or guaranteed by the candidate;

10 “(E) repayment of all other loans;

11 “(F) contribution refunds and other offsets to
12 contributions;

13 “(G) for an authorized committee, any other
14 disbursements;

15 “(H) for any political committee other than
16 an authorized committee—

17 “(i) contributions made to other political
18 committees;

19 “(ii) loans made by the reporting com-
20 mittees;

21 “(iii) independent expenditures;

22 “(iv) expenditures made under section
23 316(d) of the Act;

24 “(v) any other disbursements;

1 “(1) for an authorized committee of a candi-
2 date for the office of President, disbursements not
3 subject to the limitation of 316(b);

4 “(5) the name and address of each—

5 “(A) person to whom an expenditure in an
6 aggregate amount or value in excess of \$100
7 within the calendar year is made by the reporting
8 committee to meet a candidate or committee oper-
9 ating expense, together with the date, amount,
10 and purpose of such operating expenditure;

11 “(B) authorized committee to which a trans-
12 fer is made by the reporting committee;

13 “(C) affiliated committee to which a transfer
14 is made by the reporting committee during the re-
15 porting period and, where the reporting committee
16 is a political party committee, each transfer of
17 funds by the reporting committee to another polit-
18 ical party committee, regardless of whether such
19 committees are affiliated, together with the date
20 and amount of such transfers;

21 “(D) person who receives a loan repayment
22 from the reporting committee during the reporting
23 period, together with the date and amount of such
24 loan repayment;

1 “(E) person who receives a contribution
2 refund or other offset to contributions from the re-
3 porting committee where such contribution was
4 reported under paragraph 2(A) of this clause,
5 together with the date and amount of such
6 disbursement;

7 “(6)(A) for an authorized committee, the name
8 and address of each person who has received any dis-
9 bursement not disclosed under paragraph (5) which in
10 an aggregate amount or value in excess of \$100 within
11 the calendar year, together with the date and amount
12 of any such disbursement;

13 “(B) for any other political committee, the name
14 and address of each—

15 “(i) political committee which has received a
16 contribution from the reporting committee during
17 the reporting period, together with the date and
18 amount of any such contribution;

19 “(ii) person who has received a loan from the
20 reporting committee during the reporting period,
21 together with the date and amount of such loan;

22 “(iii) person who receives any disbursement
23 during the reporting period which in an aggregate
24 amount or value in excess of \$100 within the cal-
25 endar year in connection with an independent ex-

1 penditure by the reporting committee, together
2 with the date, amount, and purpose of any such
3 independent expenditure and a statement which
4 indicates whether such independent expenditure is
5 in support of, or in opposition to, a candidate, as
6 well as the name and office sought by such candi-
7 date, and a certification, under penalty of perjury,
8 whether such independent expenditure is made in
9 cooperation, consultation, or concert, with, or at
10 the request or suggestion of, any candidate or any
11 authorized committee or agent of such committee;

12 “(iv) person who receives any expenditure
13 from the reporting committee during the reporting
14 period in connection with an expenditure under
15 section 16(d) in the Act, together with the date,
16 amount, and purpose of any such expenditure as
17 well as the name of, and office sought by, the
18 candidate on whose behalf the expenditure is
19 made;

20 “(v) person who has received any disburse-
21 ment not otherwise disclosed in this paragraph or
22 paragraph (5) in an aggregate amount or value in
23 excess of \$100 within the calendar year from the
24 reporting committee within the reporting period;

1 together with the date, amount, and purpose of
2 any such disbursement;

3 “(7) the total sum of all contributions to such po-
4 litical committee, together with the total contributions
5 less offsets to contributions and the total sum of all op-
6 erating expenditures made by such political committee,
7 together with total operating expenditures less offsets
8 to operating expenditures, for both the reporting period
9 and the calendar year;

10 “(8) the amount and nature of outstanding debts
11 and obligations owed by or to such political committee,
12 together with a statement as to the circumstances and
13 conditions under which any debts or obligations owed
14 by or to such committee were extinguished and the
15 consideration thereof.

16 “(e)(1) Every person (other than a political committee)
17 who makes independent expenditures in an aggregate amount
18 or value in excess of \$100 during a calendar year shall file a
19 statement containing the information required under subsec-
20 tion (b)(3)(A) for all contributions received by such person.

21 “(2) Statements required to be filed by this subsection
22 shall be filed in accordance with subsection (a)(2), and shall
23 include—

24 “(A) the information required by subsection
25 (b)(6)(B)(iii), indicating whether the independent ex-

1 penditure is in support of, or in opposition to, the can-
2 didate involved;

3 “(B) under penalty of perjury, a certification
4 whether such independent expenditure is made in coop-
5 eration, consultation, or concert, with, or at the re-
6 quest or suggestion of, any candidate or any authorized
7 committee or agent of such candidate; and

8 “(C) the identification of each person who made a
9 contribution in excess of \$100 to the person filing such
10 statement which was made for the purpose of further-
11 ing an independent expenditure.

12 Any independent expenditure (including those described in
13 subsection (b)(6)(B)(iii)) aggregating \$1,000 or more made
14 after the 20th day, but more than 24 hours, before any elec-
15 tion shall be reported within 24 hours after such independent
16 expenditure is made.

17 “(3) The Commission shall be responsible for expedi-
18 tiously preparing indices which set forth, on a candidate-by-
19 candidate basis, all independent expenditures separately, in-
20 cluding those reported under subsection (b)(6)(B)(iii), made by
21 or for each candidate, as reported under this subsection, and
22 for periodically publishing such indices on a timely pre-elec-
23 tion basis.”.

FEDERAL ELECTION COMMISSION

1
2 SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is
3 amended—

4 (1) by striking out sections 305, 306, 308, 311,
5 318, and 329;

6 (2) by redesignating section 307 as section 305;

7 (3) by redesignating sections 309 and 310 as sec-
8 tions 306 and 307, respectively;

9 (4) by redesignating sections 312 through 317 as
10 sections 308 through 313, respectively;

11 (5) by redesignating sections 319 through 328 as
12 sections 314 through 323, respectively; and

13 (6) section 306 as so redesignated section 105
14 (a)(3), is amended to read as follows:

15 “FEDERAL ELECTION COMMISSION

16 “SEC. 306. (a)(1) There is established a commission to
17 be known as the Federal Election Commission. The Commis-
18 sion is composed of the Secretary of the Senate and the Clerk
19 of the House of Representatives or their designees, ex officio
20 and without the right to vote, and 6 members appointed by
21 the President, by and with the advice and consent of the
22 Senate. No more than 3 members of the Commission ap-
23 pointed under this paragraph may be affiliated with the same
24 political party.

1 “(2)(A) Members of the Commission shall serve for
2 terms of 6 years, except that of the members first appoint-
3 ed—

4 “(i) two of the members, not affiliated with the
5 same political party, shall be appointed for terms
6 ending on April 30, 1977;

7 “(ii) two of the members, not affiliated with the
8 same political party, shall be appointed for terms
9 ending on April 30, 1979; and

10 “(iii) two of the members, not affiliated with the
11 same political party, shall be appointed for terms
12 ending on April 30, 1981.

13 “(B) A member of the Commission may serve on the
14 Commission after the expiration of his term until his succes-
15 sor has taken office as a member of the Commission.

16 “(C) An individual appointed to fill a vacancy occurring
17 other than by the expiration of a term of office shall be ap-
18 pointed only for the unexpired term of the member he suc-
19 ceeds.

20 “(D) Any vacancy occurring in the membership of the
21 Commission shall be filled in the same manner as in the case
22 of the original appointment.

23 “(3) Members shall be individuals who, at the time ap-
24 pointed to the Commission, are not elected or appointed offi-
25 cers or employees in the executive, legislative, or judicial

1 branch of the Federal Government. Members of the Commis-
2 sion shall not engage in any other business, vocation, or em-
3 ployment. Any individual who is engaging in any other busi-
4 ness, vocation, or employment at the time of their appoint-
5 ment to the Commission shall terminate or liquidate such ac-
6 tivity no later than 90 days after such appointment.

7 “(4) Members of the Commission (other than the Secre-
8 tary of the Senate and the Clerk of the House of Representa-
9 tives) shall receive compensation equivalent to the compensa-
10 tion paid at level IV of the Executive Schedule (5 U.S.C.
11 5315).

12 “(5) The Commission shall elect a chairman and a vice
13 chairman from among its members (other than the Secretary
14 of the Senate and the Clerk of the House of Representatives)
15 for a term of one year. A member may serve as chairman
16 only once during any term of office to which such member is
17 appointed. The chairman and the vice chairman shall not be
18 affiliated with the same political party. The vice chairman
19 shall act as chairman in the absence or disability of the chair-
20 man or in the event of a vacancy in such office.

21 “(b)(1) The Commission shall administer, seek to obtain
22 compliance with, and formulate policy with respect to, this
23 chapter and chapter 95 and chapter 96 of the Internal Reve-
24 nue Code of 1954. The Commission shall have exclusive ju-

1 jurisdiction with respect to the civil enforcement of such provi-
2 sions.

3 “(2) Nothing in this chapter shall be construed to limit,
4 restrict, or diminish any investigatory, informational, over-
5 sight, supervisory, or disciplinary authority or function of the
6 Congress or any committee of the Congress with respect to
7 elections for Federal office.

8 “(c) All decisions of the Commission with respect to the
9 exercise of its duties and powers under the provisions of this
10 subchapter shall be made by a majority vote of the members
11 of the Commission. A member of the Commission may not
12 delegate to any person his vote or any decisionmaking au-
13 thority or duty vested in the Commission by the provisions of
14 this subchapter, except that the affirmative vote of 4 mem-
15 bers of the Commission shall be required in order for the
16 Commission to take any action in accordance with para-
17 graphs (6), (7), (8), or (9) of section 307(a) of this title or with
18 chapter 95 or chapter 96 of the Internal Revenue Code of
19 1954.

20 “(d) The Commission shall meet at least once each
21 month and also at the call of any member.

22 “(e) The Commission shall prepare written rules for the
23 conduct of its activities, shall have an official seal which shall
24 be judicially noticed, and shall have its principal office in or

1 near the District of Columbia (but it may meet or exercise
2 any of its powers anywhere in the United States):

3 (f)(1) The Commission shall have a staff director and a
4 general counsel who shall be appointed by the Commission.
5 The staff director shall be paid at a rate not to exceed the
6 rate of basic pay in effect for level IV of the Executive
7 Schedule (5 U.S.C. 5315). The general counsel shall be paid
8 at a rate not to exceed the rate of basic pay in effect for level
9 V of the Executive Schedule (5 U.S.C. 5316). With the ap-
10 proval of the Commission, the staff director may appoint and
11 fix the pay of such additional personnel as he considers desir-
12 able without regard to the provisions of title 5 governing ap-
13 pointments in the competitive service.

14 "(2) With the approval of the Commission, the staff di-
15 rector may procure temporary and intermittent services to
16 the same extent as is authorized by section 3109(b) of title 5,
17 but at rates for individuals not to exceed the daily equivalent
18 of the annual rate of basic pay in effect for grade GS-15 of
19 the General Schedule (5 U.S.C. 5332).

20 "(3) In carrying out its responsibilities under this chap-
21 ter, the Commission shall, to the fullest extent practicable,
22 avail itself of the assistance, including personnel and facilities
23 of other agencies and departments of the United States. The
24 heads of such agencies and departments may make available
25 to the Commission such personnel, facilities, and other assist-

1 anee, with or without reimbursement, as the Commission
2 may request.”

3 POWERS OF THE COMMISSION

4 SEC. 106. Section 307, as so redesignated in section
5 105(a)(3), is amended to read as follows:

6 “POWERS OF THE COMMISSION

7 “SEC. 307. (a) The Commission has the power—

8 “(1) to require by special or general orders, any
9 person to submit, under oath, such written reports and
10 answers to questions as the Commission may prescribe;

11 “(2) to administer oaths or affirmations;

12 “(3) to require by subpoena, signed by the chair-
13 man or the vice chairman, the attendance and testi-
14 mony of witnesses and the production of all documen-
15 tary evidence relating to the execution of its duties;

16 “(4) in any proceeding or investigation, to order
17 testimony to be taken by deposition before any person
18 who is designated by the Commission and has the
19 power to administer oaths and, in such instances, to
20 compel testimony and the production of evidence in the
21 same manner as authorized under paragraph (3);

22 “(5) to pay witnesses the same fees and mileage
23 as are paid in like circumstances in the courts of the
24 United States;

1 “(6) to initiate (through civil actions for injunctive,
2 declaratory, or other appropriate relief), defend (in the
3 case of any civil action brought under section 300(a)(8)
4 of this title) or appeal any civil action in the name of
5 the Commission to enforce the provisions of this Act
6 and chapter 05 and chapter 06 of the Internal Reve-
7 nue Code of 1954, through its general counsel;

8 “(7) to render advisory opinions under section 308
9 of this title;

10 “(8) to develop such prescribed forms and to
11 make, amend, and repeal such rules, pursuant to the
12 provisions of chapter 5 of title 5, as are necessary to
13 carry out the provisions of this chapter and chapter 05
14 and chapter 06 of the Internal Revenue Code of 1954;
15 and

16 “(9) to conduct investigations and hearing expedi-
17 tiously, to encourage voluntary compliance, and to
18 report apparent violations to the appropriate law en-
19 forcement authorities.

20 “(b) Upon petition by the Commission, any United
21 States district court within the jurisdiction of which any in-
22 quiry is being carried on may, in case of refusal to obey a
23 subpena or order of the Commission issued under subsection
24 (a), issue an order requiring compliance. Any failure to obey

1 the order of the court may be punished by the court as a
2 contempt thereof.

3 “(e) No person shall be subject to civil liability to any
4 person (other than the Commission or the United States) for
5 disclosing information at the request of the Commission.

6 “(d)(1) Whenever the Commission submits any budget
7 estimate or request to the President or the Office of Manage-
8 ment and Budget, it shall concurrently transmit a copy of
9 such estimate or request to the Congress.

10 “(2) Whenever the Commission submits any legislative
11 recommendation, or testimony, or comments on legislation,
12 requested by the Congress or by any Member of the Con-
13 gress, to the President or the Office of Management and
14 Budget, it shall concurrently transmit a copy thereof to the
15 Congress or to the Member requesting the same. No officer
16 or agency of the United States shall have any authority to
17 require the Commission to submit its legislative recommenda-
18 tions, testimony, or comments on legislation, to any office or
19 agency of the United States for approval, comments, or
20 review, prior to the submission of such recommendations, tes-
21 timony, or comments to the Congress.

22 “(e) Except as provided in section 309(a)(8) of this title,
23 the power of the Commission to initiate civil actions under
24 subsection (a)(6) of this section shall be the exclusive civil

1 remedy for the enforcement of the provisions of this
2 chapter.”

3 **ADVISORY OPINIONS**

4 **SEC. 107.** (a) Section 308 of the Act, as so redesignated
5 in section 105(a)(4), is amended to read as follows:

6 **“ADVISORY OPINIONS**

7 **“SEC. 308.** (a)(1) Not later than 60 days after the Com-
8 mission receives from a person a complete written request
9 concerning the application of this Act, chapter 95 or chapter
10 96 of the Internal Revenue Code of 1954, or a rule or regu-
11 lation prescribed by the Commission, with respect to a specif-
12 ic transaction or activity by the person, the Commission shall
13 render a written advisory opinion relating to such transaction
14 or activity to the person.

15 **“(2)** If an advisory opinion is requested by a candidate,
16 or any authorized committee of such candidate, during the
17 60-day period before any election for Federal office involving
18 the requesting party, the Commission shall render a written
19 advisory opinion relating to such request no later than 20
20 days after the Commission receives a complete written re-
21 quest.

22 **“(b)** Any rule of law which is not stated in this Act or in
23 chapter 95 or chapter 96 of the Internal Revenue Code of
24 1954 may be initially proposed by the Commission only as a
25 rule or regulation pursuant to procedures established in sec-

1 tion 311(f). No opinion of an advisory nature may be issued
2 by the Commission or any of its employees except in accord-
3 ance with the provisions of this section.

4 “(e)(1) Any advisory opinion rendered by the Commis-
5 sion under subsection (a) may be relied upon by—

6 “(A) any person involved in the specific transac-
7 tion or activity with respect to which such advisory
8 opinion is rendered; and

9 “(B) any person involved in any specific transac-
10 tion or activity which is indistinguishable in all its ma-
11 terial aspects from the transaction or activity with re-
12 spect to which such advisory opinion is rendered.”

13 “(2) Notwithstanding any other provisions of law, any
14 person who relies upon any provision or finding of an
15 advisory opinion in accordance with the provisions of para-
16 graph (1) and who acts in good faith in accordance with the
17 provisions and findings of such advisory opinion shall not, as
18 a result of any such act, be subject to any sanction provided
19 by this chapter or by chapter 95 or chapter 96 of title 26.

20 “(d) The Commission shall make public any request
21 made under subsection (a) for an advisory opinion. Before
22 rendering an advisory opinion, the Commission shall accept
23 written comments submitted by any interested party within
24 the 10-day period following the date the request is made
25 public.”

ENFORCEMENT

1
2 SEC. 108. Section 309 of the Act, as so redesignated in
3 section 105(a)(4), is amended to read as follows:

"ENFORCEMENT

4
5 "SEC. 309. (a)(1) Any person who believes a violation of
6 this Act or of chapter 95 or chapter 96 of the Internal Reve-
7 nue Code of 1954 has occurred, may file a complaint with
8 the Commission. Such complaint shall be written and signed
9 by the person filing such complaint, and shall be made under
10 penalty of perjury and subject to the provisions of section
11 1001 of title 18. Within 5 days after receipt of a complaint,
12 the Commission shall notify, in writing, any person alleged in
13 the complaint to have committed such a violation. Before the
14 Commission conducts any vote on the complaint, other than a
15 vote to dismiss, any person so notified shall have the oppor-
16 tunity to demonstrate, in writing, to the Commission within
17 15 days after notification that no action should be taken
18 against such person on the basis of the complaint. The Com-
19 mission may not conduct any investigation or take any other
20 action under this section solely on the basis of a complaint of
21 a person whose identity is not disclosed to the Commission.

22 "(2) If the Commission, upon receiving a complaint
23 under paragraph (1) or on the basis of information ascer-
24 tained in the normal course of carrying out its supervisory
25 responsibilities, determines, by an affirmative vote of 4 of its

1 members, that it has reason to believe that a person has com-
2 mitted, or is about to commit, a violation of this Act or chap-
3 ter 95 or chapter 96 of the Internal Revenue Code of 1954,
4 the Commission shall, through its chairman or vice chairman,
5 notify the person of the alleged violation. Such notification
6 shall set forth the factual basis for such violation. The Com-
7 mission shall make an investigation of such alleged violation,
8 which may include a field investigation or audit, in accord-
9 ance with the provisions of this section.

10 “(3) The general counsel of the Commission shall notify
11 respondent of any recommendation to the Commission by
12 general counsel to proceed to a vote on probable cause pursu-
13 ant to paragraph (4)(A)(i). With such notification, the gener-
14 counsel shall include a brief posing the position of the general
15 counsel on the legal and factual issues of the case. Within 15
16 days of receipt of such brief, respondent may submit a brief
17 posing the position of a respondent on the legal and factual
18 issues of the case, and replying to the brief of general coun-
19 sel. Such briefs shall be filed with the Secretary of the Com-
20 mission and shall be considered by the Commission before
21 proceeding under paragraph (4).

22 “(4)(A)(i) Except as provided in clause (ii), if the Com-
23 mission determines, by an affirmative vote of 4 of its mem-
24 bers, that there is probable cause to believe that any person
25 has committed, or is about to commit, a violation of this Act

1 or of chapter 95 or chapter 96 of the Internal Revenue Code
2 of 1954, the Commission shall attempt, for a period of at
3 least 30 days, to correct or prevent such violation by informal
4 methods of conference, conciliation, and persuasion, and to
5 enter into a conciliation agreement with any person involved.
6 Such attempt by the Commission to correct or prevent such
7 violation may continue for a period of not more than 90 days.
8 The Commission may not enter into a conciliation agreement
9 under this clause except pursuant to an affirmative vote of 4
10 of its members. A conciliation agreement, unless violated, is
11 a complete bar to any further action by the Commission, in-
12 cluding the bringing of a civil proceeding under subparagraph
13 (C).

14 “(ii) If any determination of the Commission under
15 clause (i) occurs during the 45-day period immediately pre-
16 ceeding any election, then the Commission shall attempt, for a
17 period of at least 15 days, to correct or prevent the violation
18 involved by the methods specified in clause (i).

19 “(B)(i) No action by the Commission or any person, and
20 no information derived, in connection with any conciliation
21 attempt by the Commission under subparagraph (A) may be
22 made public by the Commission without the written consent
23 of the respondent and Commission.

24 “(ii) If a conciliation agreement is agreed upon by the
25 Commission and the respondent, the Commission shall make

1 public any conciliation agreement signed by both the Com-
2 mission and the respondent. If the Commission makes a de-
3 termination that a person has not violated this Act or chapter
4 95 or chapter 96 of the Internal Revenue Code of 1954, the
5 Commission shall make public such determination.

6 “(5)(A) If the Commission believes that a violation of
7 this Act or of chapter 95 or chapter 96 of the Internal Reve-
8 nue Code of 1954 has been committed, a conciliation agree-
9 ment entered into by the Commission under paragraph (4)(A)
10 may include a requirement that the person involved in such
11 conciliation agreement shall pay a civil penalty which does
12 not exceed the greater of \$5,000 or an amount equal to any
13 contribution or expenditure involved in such violation.

14 “(B) If the Commission believes that a knowing and
15 willful violation of this Act or of chapter 95 or chapter 96 of
16 the Internal Revenue Code of 1954 has been committed, a
17 conciliation agreement entered into by the Commission under
18 paragraph (4)(A) may require that the person involved in
19 such conciliation agreement shall pay a civil penalty which
20 does not exceed the greater of \$10,000 or an amount equal
21 to 200 percent of any contribution or expenditure involved in
22 such violation.

23 “(C) If the Commission by an affirmative vote of 4 of its
24 members, determines that there is probable cause to believe
25 that a knowing and willful violation of this Act which is sub-

1 ject to subsection (d), or a knowing and willful violation of
2 chapter 95 or chapter 96 of the Internal Revenue Code of
3 1954, has occurred or is about to occur, it may refer such
4 apparent violation to the Attorney General of the United
5 States without regard to any limitations set forth in para-
6 graph (4)(A).

7 “(D) In any case in which a person has entered into a
8 conciliation agreement with the Commission under paragraph
9 (4)(A), the Commission may institute a civil action for relief
10 under paragraph (6)(A) if it believes that the person has vio-
11 lated any provision of such conciliation agreement. For the
12 Commission to obtain relief in any civil action, the Commis-
13 sion need only establish that the person has violated, in
14 whole or in part, any requirement of such conciliation agree-
15 ment.

16 “(6)(A) If the Commission is unable to correct or pre-
17 vent any violation of this Act or of chapter 95 or chapter 96
18 of the Internal Revenue Code of 1954, by the methods speci-
19 fied in paragraph (4)(A), the Commission may, upon an af-
20 firmative vote of 4 of its members, institute a civil action for
21 relief, including a permanent or temporary injunction, re-
22 straining order, or any other appropriate order (including an
23 order for a civil penalty which does not exceed the greater of
24 \$5,000 or an amount equal to any contribution or expendi-
25 ture involved in such violation) in the district court of the

1 United States for the district in which the person against
2 whom such action is brought is found, resides, or transacts
3 business.

4 “(B) In any civil action instituted by the Commission
5 under subparagraph (A), the court may grant a permanent or
6 temporary injunction, restraining order, or other order, in-
7 cluding a civil penalty which does not exceed the greater of
8 \$5,000 or an amount equal to any contribution or expendi-
9 ture involved in such violation, upon a proper showing that
10 the person involved has committed, or is about to commit (if
11 the relief sought is a permanent or temporary injunction or a
12 restraining order), a violation of this Act or chapter 95 or
13 chapter 96 of the Internal Revenue Code of 1954.

14 “(C) In any civil action for relief instituted by the Com-
15 mission under subparagraph (A), if the court determines that
16 the Commission has established that the person involved in
17 such civil action has committed a knowing and willful viola-
18 tion of this Act or of chapter 95 or chapter 96 of the Internal
19 Revenue Code of 1954, the court may impose a civil penalty
20 which does not exceed the greater of \$10,000 or an amount
21 equal to 200 percent of any contribution or expenditure in-
22 volved in such violation.

23 “(7) In any action brought under paragraph (5) or (6),
24 subpoenas for witnesses who are required to attend a United
25 States district court may run into any other district.

1 “(8)(A) Any party aggrieved by an order of the Commis-
2 sion dismissing a complaint filed by such party under para-
3 graph (1), or by a failure of the Commission to act on such
4 complaint during the 120-day period beginning on the date
5 the complaint is filed, may file a petition with the United
6 States District Court for the District of Columbia.

7 “(B) Any petition under subparagraph (A) shall be filed,
8 in the case of a dismissal of a complaint by the Commission,
9 within 60 days after the date of the dismissal.

10 “(C) In any proceeding under this paragraph the court
11 may declare that the dismissal of the complaint or the failure
12 to act is contrary to law, and may direct the Commission to
13 conform with such declaration within 30 days, failing which
14 the complainant may bring, in the name of such complainant,
15 a civil action to remedy the violation involved in the original
16 complaint.

17 “(9) Any judgment of a district court under this subsec-
18 tion may be appealed to the court of appeals, and the judg-
19 ment of the court of appeals affirming or setting aside, in
20 whole or in part, any such order of the district court shall be
21 final, subject to review by the Supreme Court of the United
22 States upon certiorari or certification as provided in section
23 1254 of title 28, United States Code.

24 “(10) If the Commission determines after an investiga-
25 tion that any person has violated an order of the court en-

1 tered in a proceeding brought under paragraph (6), it may
2 petition the court for an order to hold such person in civil
3 contempt, but if it believes the violation to be knowing and
4 willful it may petition the court for an order to hold such
5 person in criminal contempt.

6 “(11)(A) Any complaint filed under this section, or any
7 notification or investigation made under this section shall not
8 be made public by the Commission or by any person without
9 the written consent of the person receiving such notification
10 or the person under investigation.

11 “(B) Any member or employee of the Commission, or
12 any other person, who violates the provisions of subpara-
13 graph (A) shall be fined not more than \$2,000. Any such
14 member, employee, or other person who knowingly and will-
15 fully violates the provisions of subparagraph (A) shall be
16 fined not more than \$5,000.

17 “(b) Before taking any action under subsection (a)
18 against any person who has failed to file a report required
19 under section 304(a)(2)(A)(iii) for the calendar quarter imme-
20 diately preceding the election involved, or in accordance with
21 section 304(a)(2)(A)(i), the Commission shall notify the
22 person of such failure to file the required reports. If a satis-
23 factory response is not received within 4 business days after
24 the date of notification, the Commission shall, pursuant to sec-

1 tion 311(a)(7), publish before the election the name of the
2 person and the report or reports such person has failed to file.

3 “(e) Whenever the Commission refers an apparent viola-
4 tion to the Attorney General, the Attorney General shall
5 report to the Commission any action taken by the Attorney
6 General regarding the apparent violation. Each report shall
7 be transmitted within 60 days after the date the Commission
8 refers an apparent violation, and every 30 days thereafter
9 until the final disposition of the apparent violation.

10 “(d)(1)(A) Any person who knowingly and willfully com-
11 mits a violation of any provision of this Act which involves
12 the making, receiving, or reporting of any contribution or ex-
13 penditure aggregating \$2,000 or more during a calendar year
14 shall be fined, or imprisoned for more than one year, or both.
15 The amount of this fine shall not exceed the greater of
16 \$25,000 or 300 percent of any contribution or expenditure
17 involved in such violation.

18 “(B) In the case of a knowing and willful violation of
19 section 317(b)(3), the penalties set forth in this subsection
20 shall apply to a violation involving an amount aggregating
21 \$250 or more during a calendar year. Such violation of sec-
22 tion 317(b)(3) may incorporate a violation of section 318(b),
23 321, or 322.

24 “(C) In the case of a knowing and willful violation of
25 section 323, the penalties set forth in this subsection shall

1 apply without regard to whether the making, receiving, or
2 reporting of a contribution or expenditure of \$2,000 or more
3 is involved.

4 “(2) In any criminal action brought for a violation of
5 any provision of this Act or of chapter 95 or chapter 96 of
6 the Internal Revenue Code of 1954, any defendant may evi-
7 dence their lack of knowledge or intent to commit the alleged
8 violation or by introducing as evidence a conciliation agree-
9 ment entered into between the defendant and the Commis-
10 sion under subsection (a)(4)(A) which specifically deals with
11 the act or failure to act constituting such violation and which
12 is still in effect.

13 “(3) In any criminal action brought for a violation of
14 any provision of this Act or of chapter 95 or chapter 96 of
15 the Internal Revenue Code of 1954, the court before which
16 such action is brought shall take into account, in weighing
17 the seriousness of the violation and in considering the appro-
18 priateness of the penalty to be imposed if the defendant is
19 found guilty, whether—

20 “(A) the specific act or failure to act which consti-
21 tutes the violation for which the action was brought is
22 the subject of a conciliation agreement entered into be-
23 tween the defendant and the Commission under subsec-
24 tion (a)(4)(A);

25 “(B) the conciliation agreement is in effect; and

1 “(C) the defendant is, with respect to the violation
2 involved, in compliance with the conciliation agree-
3 ment.”.

4 ADMINISTRATIVE PROVISIONS

5 SEC. 109. Section 311 of the Act, as so redesignated in
6 section 105(a)(4), is amended to read as follows:

7 “ADMINISTRATIVE PROVISIONS

8 “SEC. 311. (a) The Commission shall—

9 “(1) prescribe forms necessary to implement this
10 Act;

11 “(2) prepare, publish, and furnish to all persons
12 required to file reports and statements under this Act a
13 manual recommending uniform methods of bookkeeping
14 and reporting;

15 “(3) develop a filing, coding, and cross-indexing
16 system consistent with the purposes of this title;

17 “(4) within 48 hours after the time of the receipt
18 by the Commission of reports and statements filed with
19 it, make them available for public inspection, and copy-
20 ing, at the expense of the person requesting such copy-
21 ing, except that any information copied from such re-
22 ports or statements may not be sold or used by any
23 person for the purpose of soliciting contributions or for
24 commercial purposes, other than using the name and
25 address of any political committee to solicit contribu-

1 tions from such committee, a political committee may
2 submit 10 pseudonyms on each report filed in order to
3 protect against the illegal use of names and addresses
4 of contributors, provided such committee attaches a list
5 of such pseudonyms to the appropriate report. The
6 Commission shall exclude these lists from the public
7 record;

8 “(5) keep such designations, reports, and state-
9 ments for a period of 10 years from the date of receipt,
10 except that reports and statements that relate solely to
11 candidates for the House of Representatives shall be
12 kept for 5 years from the date of their receipt;

13 “(6)(A) compile and maintain a cumulative index
14 of designations, reports, and statements filed under this
15 Act, which index shall be published at regular intervals
16 and made available for purchase directly or by mail;

17 “(B) compile, maintain, and revise a separate cu-
18 mulative index of reports and statements filed by multi-
19 candidate committees, including in such index a list of
20 multi-candidate committees; and

21 “(C) compile and maintain a list of multi-candi-
22 date committees, which shall be revised and made
23 available monthly;

1 “(7) prepare and publish periodically lists of can-
2 didates whose authorized committees fail to file reports
3 as required by this title;

4 “(8) prescribe rules, regulations, and forms to
5 carry out the provisions of this title, in accordance
6 with the provisions of subsection (e);

7 “(9) transmit to the President and to each House
8 of the Congress no later than June 1 of each year, a
9 report which states in detail the activities of the Com-
10 mission in carrying out its duties under this title; and
11 any recommendations for any legislative or other
12 action the Commission considers appropriate; and

13 “(10) serve as a national clearinghouse for infor-
14 mation with respect to the administration of this Act
15 and the compilation and administration of State cam-
16 paign finance and election disclosure laws. The Com-
17 mission may enter into contracts for the purpose of
18 conducting such independent studies. Studies made
19 under this subsection shall be published by the Com-
20 mission and copies thereof shall be made available to
21 the general public upon the payment of cost thereof.

22 “(b)(1) The Commission shall issue and index of all com-
23 mittees which it determines have met the requirements for a
24 multi-candidate committee under section 316(a)(4) and shall
25 list all committees affiliated for the purposes of section

1 316(a)(5). The Commission shall review reports filed under
2 this Act and shall update such index on a monthly basis.

3 “(2) Notwithstanding any other provision of law, any
4 person (other than a candidate, or the authorized committee
5 of such candidate, who is eligible to receive a full entitlement
6 under section 9004 of title 26, United States Code), who, in
7 good faith, accepts a contribution from a committee which is
8 listed on a Commission index issued in accordance with para-
9 graph (1) and which does not exceed the limitations for multi-
10 candidate political committees in section 316(a)(4) shall not,
11 as a result of such acceptance, be subject to any sanction
12 provided by this chapter which involves the receiving of a
13 contribution in excess of limitations in section 316(a).

14 “(e) The Commission may audit any political committee
15 required to file a report under section 304(a)(4).

16 “(d) Any forms prescribed by the Commission under
17 subsection (a)(1), and any information-gathering activities of
18 the Commission under this Act, shall not be subject to the
19 provisions of section 3512 of title 44, United States Code.

20 “(e)(1) Before prescribing any rule, regulation, or form
21 under this section or any other provision of this Act, the
22 Commission shall transmit a statement with respect to such
23 rule, regulation, or form to the Senate and the House of Rep-
24 resentatives, in accordance with this subsection. Such state-

1 ment shall set forth the proposed rule, regulation, or form,
2 and shall contain a detailed explanation and justification of it.

3 “(2) If either House of the Congress does not disap-
4 prove by resolution any proposed rule or regulation submitted
5 by the Commission under this section no later than 30 days
6 of continuous session after the date of the receipt of such
7 proposed rule or regulation or no later than 15 days of con-
8 tinuous session after the date of receipt of such proposed
9 form, the Commission may prescribe such rule, regulation, or
10 form.

11 “(3) For purposes of this subsection—

12 “(A) continuity of session of the Congress is
13 broken only by an adjournment sine die; and

14 “(B) the days on which either Houses are in ses-
15 sion are counted in the computation of the 30-day
16 period and the days on which one House is in session
17 are counted unless the other House is not in session
18 because of an adjournment of more than 3 days to a
19 day certain.

20 “(4) For purposes of this subsection, the terms ‘rule’
21 and ‘regulation’ mean a provision or series of interrelated
22 provision stating a single, separable rule of law.

23 “(5) Whenever a committee of the House of Repre-
24 sentatives reports any resolution relating to any such rule or
25 regulation, it is at any time thereafter in order (even though a

1 previous motion to the same effect has been disagreed to) to
 2 move to proceed to the consideration of the resolution. The
 3 motion is highly privileged and is not debatable. An amend-
 4 ment to the motion is not in order, and is not in order to
 5 move to reconsider the vote by which the motion is agreed to
 6 or disagreed.

7 “(f) Notwithstanding any other provision of law, any
 8 person who relies upon any rule or regulation prescribed by
 9 the Commission in accordance with the provisions of this sec-
 10 tion and who acts in good faith in accordance with such rule
 11 or regulation shall not, as a result of such act, be subject to
 12 any sanction provided by this chapter or by chapter 95 or
 13 chapter 96 of the Internal Revenue Code of 1954.”

14 **STATEMENTS FILED WITH STATE OFFICERS**

15 **SEC. 110.** Section 312 of the Act, as so redesignated in
 16 section 105(a)(4), is amended to read as follows:

17 **“STATEMENTS FILED WITH STATE OFFICERS**

18 **“SEC. 312. (a)(1)** A copy of each report and statement
 19 required to be filed by any person under this title shall be
 20 filed by such person with the Secretary of State (or equiva-
 21 lent State officer) of the appropriate State, or, if different, the
 22 officer of such State who is charged by State law with main-
 23 taining State election campaign reports. The chief executive
 24 officer of such State shall designate any such officer and
 25 notify the Commission of any such designation.

1 “(2) For purposes of this subsection, the term ‘appropri-
2 ate State’ means—

3 “(A) for statements and reports in connection with
4 the campaign for nomination for election, or election,
5 of a candidate to the office of President or Vice Presi-
6 dent, each State in which an expenditure is made on
7 behalf of the candidate; and

8 “(B) for statements and reports in connection with
9 the campaign for nomination for election, or election,
10 of a candidate to the office of Senator or Representa-
11 tive in, or Delegate or Resident Commissioner to, the
12 Congress, the State in which the candidate seeks elec-
13 tion; except that political committees other than au-
14 thorized committees are only required to file, and Sec-
15 retaries of State required to keep, that portion of the
16 report applicable to candidates seeking election in that
17 State.

18 “(b) The Secretary of State (or equivalent State officer),
19 or the officer designated under subsection (a)(1), shall—

20 “(1) receive and maintain in an orderly manner all
21 reports and statements required by this Act to be filed
22 therewith;

23 “(2) keep such reports and statements (either in
24 original filed form or in facsimile copy by microfilm or
25 otherwise)—

1 “(A) for 7 years after their date of receipt,
2 for reports and statements for candidates for the
3 Senate;

4 “(B) for 5 years after their date of receipt,
5 for reports and statements for candidates for
6 President or Vice President; and

7 “(C) for 3 years after their date of receipt,
8 for reports and statements for candidates for the
9 House of Representatives;

10 “(D) through April 30 of the calendar year
11 following the calendar year in which any report
12 was filed by a political committee other than an
13 authorized committee;

14 “(3) make each report and statement filed there-
15 with available as soon as practicable (but within 48
16 hours of receipt) for public inspection and copying
17 during regular business hours, and permit copying of
18 any such report or statement by hand or by duplicating
19 machine at the request of any person, except that such
20 copying shall be at the expense of the person making
21 the request; and

22 “(4) compile and maintain a current list of all re-
23 ports and statements pertaining to each candidate.”.

1 mailing, or any other type of general public political advertis-
2 ing, such communication—

3 “(1) if paid for and authorized by a candidate, an
4 authorized political committee of a candidate, or its
5 agents, shall clearly state that the communication has
6 been paid for by such authorized political committee, or

7 “(2) if paid for by other persons but authorized by
8 a candidate, an authorized political committee of a can-
9 didate, or its agents, shall clearly state that the com-
10 munication is paid for by such other persons and au-
11 thorized by such authorized political committee;

12 “(3) if not authorized by a candidate, an author-
13 ized political committee of a candidate, or its agents,
14 shall clearly state the name of the person who paid for
15 the communication and state that the communication is
16 not authorized by any candidate or candidate’s commit-
17 tee.

18 “(b) No person who sells space in a newspaper or maga-
19 zine to a candidate or to the agent of a candidate, for use in
20 connection with such candidate’s campaign, may charge any
21 amount for such space which exceeds the amount charged for
22 comparable use of such space for other purposes.”.

23 TECHNICAL AMENDMENTS

24 SEC. 116. (a) Section 305 of the Act, as so redesignated
25 in section 105(a)(2), is amended—

1 (1) by striking out "sixty" and inserting in lieu
2 thereof "60";

3 (2) by striking out "twenty" and inserting in lieu
4 thereof "20"; and

5 (3) by striking out "Federal Election".

6 (b) Section 306(e) of the Act, as so redesignated in section
7 105(a)(3), is amended by striking out "section 310(t)"
8 and inserting in lieu thereof "section 307(a)".

9 (e) Section 310(a) of the Act, as so redesignated in section
10 105(a)(4), is amended by striking out "of the United
11 States" the first place it appears therein.

12 (d) The first sentence of section 317(b)(4)(B) of the Act,
13 as so redesignated in section 105(a)(4), is amended by striking
14 out "it" and inserting in lieu thereof "It".

15 (e)(1) Section 403(a) of the Domestic Volunteer Service
16 Act of 1973 is amended—

17 (A) by striking out "section 301(a)" and inserting
18 in lieu thereof "section 301(1)"; and

19 (B) by striking out "section 301(e)" and inserting
20 in lieu thereof "section 301(3)".

21 (2) Section 6 of the Department of State Appropriations
22 Authorization Act of 1973 is amended by striking out "section
23 301(e)" and inserting in lieu thereof "section 301(8)".

1 MISCELLANEOUS AMENDMENTS TO TITLE 18, UNITED
2 STATES CODE

3 SEC. 202. (a)(1) Chapter 29 of title 18, United States
4 Code, is amended by striking out section 591.

5 (2) The table of sections for chapter 26 of title 18,
6 United States Code, is amended by striking out the item re-
7 lating to section 591.

8 (3) Section 602 of such title is amended to read as
9 follows:

10 "SOLICITATION OF POLITICAL CONTRIBUTIONS

11 "SEC. 602. It shall be unlawful for—

12 "(1) a candidate for the Congress;

13 "(2) an individual elected to or serving in the
14 office of Senator or Representative in, or Delegate or
15 Resident Commissioner to, the Congress;

16 "(3) an officer or employee of the United States
17 or any department or agency thereof; or

18 "(4) a person receiving any salary or compensa-
19 tion for services from money derived from the Treasury
20 of the United States to solicit, either directly or indi-
21 rectly, any contribution within the meaning of section
22 301(8) of the Federal Election Campaign Act of 1971
23 from any other such officer, employer, or person. Any
24 person who violates this section shall be fined not more

1 than \$5,000 or imprisoned not more than three years;
2 or both.”.

3 (4) Section 603 of such title is amended to read as
4 follows:

5 “MAKING POLITICAL CONTRIBUTIONS

6 “SEC. 603. It shall be unlawful for any officer, clerk, or
7 other person in the employ of the United States or any de-
8 partment or agency thereof to make a contribution within the
9 meaning of section 301(8) to any other such officer, clerk, or
10 person or to any Senator or Representative in, or Delegate
11 or Resident Commissioner to, the Congress, unless such con-
12 tribution is voluntary: *Provided, however,* That no contribu-
13 tion, voluntary or otherwise, may be made by any such offi-
14 cer, clerk, or person to any Senator or Representative in, or
15 Delegate or Resident Commissioner to, the Congress, or
16 their authorized committee within the meaning of section
17 302(e)(1) of the Federal Election Campaign Act of 1971, if
18 that person authorizing such committee is the employer or
19 employing authority of the person making such contribution.
20 Any person who violates this section shall be fined not more
21 than \$5,000 or imprisoned not more than three years, or
22 both.”.

23 (5) Section 607 of such title is amended to read as
24 follows:

1 “PLACE OF SOLICITATION

2 “SEC. 607. (a) It shall be unlawful for—

3 “(1) a candidate for the Congress;

4 “(2) an individual elected to or serving in the
5 office of Senator or Representative in, or Delegate or
6 Resident Commissioner to, the Congress;7 “(3) an officer or employee of the United States
8 or any department or agency thereof; or9 “(4) a person receiving any salary or compensa-
10 tion for services from money derived from the Treasury
11 of the United States12 to solicit or receive any contribution within the meaning of
13 section 301(8) of the Federal Election Campaign Act of 1971
14 in any room or building occupied in the discharge of official
15 duties by any such person; or in any navy yard, fort, or arse-
16 nal. Any person who violates this section shall be fined not
17 more than \$5,000 or imprisoned not more than three years,
18 or both.19 “(b) The prohibition in subsection (a) shall not apply to
20 any contributions received by mail in any room, building, or
21 other facility referred to in subsection (a) provided such con-
22 tribution was not solicited in any such room, building, or
23 other facility and provided such contribution is delivered,
24 within seven days of receipt, to a political committee within

1 the meaning of section 301(4) of the Federal Election Cam-
 2 paign Act of 1971.”.

3 MISCELLANEOUS AMENDMENT TO TITLE 26, UNITED

4 STATES CODE

5 SEC. 302. Section 9008(b) of title 26 is amended by
 6 striking at the end thereof the figure “\$2,000,000” and in-
 7 serting in lieu thereof “\$3,000,000”.

8 *That this Act may be cited as the “Federal Election Cam-
 9 paign Act Amendments of 1979”.*

10 TITLE I—AMENDMENTS TO FEDERAL

11 ELECTION CAMPAIGN ACT OF 1971

12 DEFINITIONS

13 SEC. 101. Section 301 of the Federal Election Cam-
 14 paign Act of 1971 (2 U.S.C. 431), hereinafter in this Act
 15 referred to as the “Act”, is amended to read as follows:

16 “DEFINITIONS

17 “SEC. 301. When used in this Act:

18 “(1) The term ‘election’ means—

19 “(A) a general, special, primary, or runoff elec-
 20 tion;

21 “(B) a convention or caucus of a political party
 22 which has authority to nominate a candidate;

23 “(C) a primary election held for the selection of
 24 delegates to a national nominating convention of a po-
 25 litical party; and

1 “(D) a primary election held for the expression of
2 a preference for the nomination of individuals for elec-
3 tion to the office of President.

4 “(2) The term ‘candidate’ means an individual who
5 seeks nomination for election, or election, to Federal office,
6 and for purposes of this paragraph, an individual shall be
7 deemed to seek nomination for election, or election—

8 “(A) if such individual has received contributions
9 aggregating in excess of \$5,000 or has made expendi-
10 tures aggregating in excess of \$5,000; or

11 “(B) if such individual has given his or her con-
12 sent to another person to receive contributions or make
13 expenditures on behalf of such individual and if such
14 person has received such contributions aggregating in
15 excess of \$5,000 or has made such expenditures aggre-
16 gating in excess of \$5,000.

17 “(3) The term ‘Federal office’ means the office of Presi-
18 dent or Vice President, or of Senator or Representative in, or
19 Delegate or Resident Commissioner to, the Congress.

20 “(4) The term ‘political committee’ means—

21 “(A) any committee, club, association, or other
22 group of persons which receives contributions aggregat-
23 ing in excess of \$1,000 during a calendar year or
24 which makes expenditures aggregating in excess of
25 \$1,000 during a calendar year; or

1 “(B) any separate segregated fund established
2 under the provisions of section 316; or

3 “(C) any local committee of a political party
4 which receives contributions aggregating in excess of
5 \$5,000 during a calendar year, or makes payments
6 exempted from the definition of contribution or expend-
7 iture as defined in section 301 (8) and (9) aggregating
8 in excess of \$5,000 during a calendar year, or makes
9 contributions aggregating in excess of \$1,000 during a
10 calendar year or makes expenditures aggregating in
11 excess of \$1,000 during a calendar year.

12 “(5) The term ‘principal campaign committee’ means a
13 political committee designated and authorized by a candidate
14 under section 302(e)(1).

15 “(6) The term ‘authorized committee’ means the prin-
16 cipal campaign committee or any other political committee
17 authorized by a candidate under section 302(e)(1) to
18 receive contributions or make expenditures on behalf of such
19 candidate.

20 “(7) The term ‘connected organization’ means any orga-
21 nization which is not a political committee but which directly
22 or indirectly establishes, administers, or financially supports
23 a political committee.

24 “(8)(A) The term ‘contribution’ includes—

1 “(i) any gift, subscription, loan, advance, or de-
2 posit of money or anything of value made by any
3 person for the purpose of influencing any election for
4 Federal office; or

5 “(ii) the payment by any person of compensation
6 for the personal services of another person which are
7 rendered to a political committee without charge for
8 any purpose.

9 “(B) The term ‘contribution’ does not include—

10 “(i) the value of services provided without com-
11 pensation by any individual who volunteers on behalf
12 of a candidate or political committee;

13 “(ii) the use of real or personal property, includ-
14 ing a church or community room used on a regular
15 basis by members of a community for noncommercial
16 purposes, and the cost of invitations, food, and bever-
17 ages, voluntarily provided by an individual to any
18 candidate or any political committee of a political
19 party in rendering voluntary personal services on the
20 individual’s residential premises or in the church or
21 community room for candidate-related or political
22 party-related activities, to the extent that the cumula-
23 tive value of such invitations, food, and beverages pro-
24 vided by such individual on behalf of any single candi-
25 date does not exceed \$1,000 with respect to any single

1 *election, and on behalf of all political committees of a*
2 *political party does not exceed \$2,000 in any calendar*
3 *year;*

4 *“(iii) the sale of any food or beverage by a vendor*
5 *for use in any candidate’s campaign or for use by or*
6 *on behalf of any political committee of a political party*
7 *at a charge less than the normal comparable charge, if*
8 *such charge is at least equal to the cost of such food or*
9 *beverage to the vendor, to the extent that the cumula-*
10 *tive value of such activity by such vendor on behalf of*
11 *any single candidate does not exceed \$1,000 with re-*
12 *spect to any single election, and on behalf of all politi-*
13 *cal committees of a political party does not exceed*
14 *\$2,000 in any calendar year;*

15 *“(iv) any unreimbursed payment for travel ex-*
16 *penses made by any individual on behalf of any candi-*
17 *date or any political committee of a political party, to*
18 *the extent that the cumulative value of such activity by*
19 *such individual on behalf of any single candidate does*
20 *not exceed \$1,000 with respect to any single election,*
21 *and on behalf of all political committees of a political*
22 *party does not exceed \$2,000 in any calendar year;*

23 *“(v) the payment by a State or local committee of*
24 *a political party of the costs of preparation, display, or*
25 *mailing or other distribution incurred by such commit-*

1 *tee with respect to a printed slate card or sample ballot,*
2 *or other printed listing, of 3 or more candidates for*
3 *any public office for which an election is held in the*
4 *State in which such committee is organized, except*
5 *that this clause shall not apply to any cost incurred by*
6 *such committee with respect to a display of any such*
7 *listing made on broadcasting stations, or in newspa-*
8 *pers, magazines, or similar types of general public po-*
9 *litical advertising;*

10 *“(vi) any payment made or obligation incurred by*
11 *a corporation or a labor organization which, under sec-*
12 *tion 317(b), would not constitute an expenditure by*
13 *such corporation or labor organization;*

14 *“(vii) any loan of money by a State bank, a fed-*
15 *erally chartered depository institution, or a depository*
16 *institution the deposits or accounts of which are in-*
17 *sured by the Federal Deposit Insurance Corporation,*
18 *Federal Savings and Loan Insurance Corporation, or*
19 *the National Credit Union Administration, other than*
20 *any overdraft made with respect to a checking or sav-*
21 *ings account, made in accordance with applicable law*
22 *and in the ordinary course of business, but such*
23 *loan—*

24 *“(I) shall be considered a loan by each en-*
25 *dorser or guarantor, in that proportion of the*

1 *unpaid balance that each endorser or guarantor*
2 *bears to the total number of endorsers or guaran-*
3 *tors;*

4 *“(II) shall be made on a basis which assures*
5 *repayment, evidenced by a written instrument,*
6 *and subject to a due date or amortization sched-*
7 *ule; and*

8 *“(III) shall bear the usual and customary*
9 *interest rate of the lending institution;*

10 *“(viii) any gift, subscription, loan, advance, or*
11 *deposit of money or anything of value to a national or*
12 *a State committee of a political party specifically des-*
13 *ignated to defray any cost for construction or purchase*
14 *of any office facility not acquired for the purpose of in-*
15 *fluencing the election of any candidate in any particu-*
16 *lar election for Federal office;*

17 *“(ix) any legal or accounting services rendered to*
18 *or on behalf of—*

19 *“(I) any political committee of a political*
20 *party if the person paying for such services is the*
21 *regular employer of the person rendering such*
22 *services and if such services are not attributable*
23 *to activities which directly further the election of*
24 *any designated candidate to Federal office; or*

1 “(II) an authorized committee of a candidate
2 or any other political committee, if the person
3 paying for such services is the regular employer of
4 the individual rendering such services and if such
5 services are solely for the purpose of ensuring
6 compliance with this Act or chapter 95 or chapter
7 96 of the Internal Revenue Code of 1954,
8 but amounts paid or incurred by the regular employer
9 for such legal or accounting services shall be reported
10 in accordance with section 304(b) by the committee re-
11 ceiving such services;

12 “(x) the payment by a State or local committee of
13 a political party of the costs of campaign materials
14 (such as pins, bumper stickers, handbills, brochures,
15 posters, party tabloids, and yard signs) used by such
16 committee in connection with volunteer activities on
17 behalf of nominees of such party: Provided, That—

18 “(1) such payments are not for the costs of
19 campaign materials or activities used in connec-
20 tion with any broadcasting, newspaper, magazine,
21 billboard, direct mail, or similar type of general
22 public communication or political advertising;

23 “(2) such payments are made from contribu-
24 tions subject to the limitations and prohibitions of
25 this Act; and

1 “(3) such payments are not made from con-
2 tributions designated to be spent on behalf of a
3 particular candidate or particular candidates;

4 “(xi) the payment by a candidate, for nomination
5 or election to any public office (including State or
6 local office), or authorized committee of a candidate, of
7 the costs of campaign materials which include informa-
8 tion on or reference to any other candidate and which
9 are used in connection with volunteer activities (in-
10 cluding pins, bumper stickers, handbills, brochures,
11 posters, and yard signs, but not including the use of
12 broadcasting, newspapers, magazines, billboards, direct
13 mail, or similar types of general public communication
14 or political advertising): Provided, That such payments
15 are made from contributions subject to the limitations
16 and prohibitions of this Act.

17 “(xii) the payment by a State or local committee
18 of a political party of the costs of voter registration and
19 get-out-the-vote activities conducted by such committee
20 on behalf of nominees of such party for President and
21 Vice President: Provided, That—

22 “(1) such payments are not for the costs of
23 campaign materials or activities used in connec-
24 tion with any broadcasting, newspaper, magazine,

1 *billboard, direct mail or similar type of general*
2 *public communication or political advertising;*

3 “(2) *such payments are made from contribu-*
4 *tions subject to the limitations and prohibitions of*
5 *this Act; and*

6 “(3) *such payments are not made from con-*
7 *tributions designated to be spent on behalf of a*
8 *particular candidate or candidates;*

9 “(xiii) *payments made by a candidate or the au-*
10 *thorized committee of a candidate as a condition of*
11 *ballot access and payments received by any political*
12 *party committee as a condition of ballot access; and*

13 “(xiv) *any honorarium (within the meaning of*
14 *section 441i of this title).*

15 “(9)(A) *The term ‘expenditure’ includes—*

16 “(i) *any purchase, payment, distribution, loan,*
17 *advance, deposit, or gift of money or anything of value,*
18 *made by any person for the purpose of influencing any*
19 *election for Federal office; and*

20 “(ii) *a written contract, promise, or agreement to*
21 *make an expenditure.*

22 “(B) *The term ‘expenditure’ does not include—*

23 “(i) *any news story, commentary, or editorial dis-*
24 *tributed through the facilities of any broadcasting sta-*
25 *tion, newspaper, magazine, or other periodical publica-*

1 *tion, unless such facilities are owned or controlled by*
2 *any political party, political committee, or candidate;*

3 *“(ii) nonpartisan activity designed to encourage*
4 *individuals to vote or to register to vote;*

5 *“(iii) any communication by any membership or-*
6 *ganization or corporation to its members, stockholders,*
7 *or executive or administrative personnel, if such mem-*
8 *bership organization or corporation is not organized*
9 *primarily for the purpose of influencing the nomina-*
10 *tion for election, or election, of any individual to Fed-*
11 *eral office, except that the costs incurred by a membe-*
12 *ship organization (including a labor organization) or*
13 *by a corporation directly attributable to a communica-*
14 *tion expressly advocating the election or defeat of a*
15 *clearly identified candidate (other than a communica-*
16 *tion primarily devoted to subjects other than the ex-*
17 *press advocacy of the election or defeat of a clearly*
18 *identified candidate), shall, if such costs exceed \$2,000*
19 *for any election, be reported to the Commission in ac-*
20 *cordance with section 304(a)(4)(A)(i), and in accord-*
21 *ance with section 304(a)(4)(A)(ii) with respect to any*
22 *general election;*

23 *“(iv) the payment by a State or local committee*
24 *of a political party of the costs of preparation, display,*
25 *or mailing or other distribution incurred by such com-*

1 *mittee with respect to a printed slate card or sample*
2 *ballot, or other printed listing, of 3 or more candidates*
3 *for any public office for which an election is held in*
4 *the State in which such committee is organized, except*
5 *that this clause shall not apply to costs incurred by*
6 *such committee with respect to a display of any such*
7 *listing made on broadcasting stations, or in newspa-*
8 *pers, magazines, or similar types of general public po-*
9 *litical advertising;*

10 *“(v) any payment made or obligation incurred by*
11 *a corporation or a labor organization which, under sec-*
12 *tion 316(b), would not constitute an expenditure by*
13 *such corporation or labor organization;*

14 *“(vi) any costs incurred by an authorized commit-*
15 *tee or candidate in connection with the solicitation of*
16 *contributions on behalf of such candidate, except that*
17 *this clause shall not apply with respect to costs in-*
18 *curring by an authorized committee of a candidate in*
19 *excess of an amount equal to 20 percent of the expend-*
20 *iture limitation applicable to such candidate under sec-*
21 *tion 315(b), but all such costs shall be reported in ac-*
22 *cordance with section 304(b);*

23 *“(vii) the payment of compensation for legal or*
24 *accounting services—*

1 “(I) rendered to or on behalf of any political
2 committee of a political party if the person paying
3 for such services is the regular employer of the in-
4 dividual rendering such services, and if such serv-
5 ices are not attributable to activities which direct-
6 ly further the election of any designated candidate
7 to Federal office; or

8 “(II) rendered to or on behalf of a candidate
9 or political committee if the person paying for
10 such services is the regular employer of the indi-
11 vidual rendering such services, and if such serv-
12 ices are solely for the purpose of ensuring comp'i-
13 ance with this Act or chapter 95 or chapter 96 of
14 the Internal Revenue Code of 1954,

15 but amounts paid or incurred by the regular employer
16 for such legal or accounting services shall be reported
17 in accordance with section 304(b) by the committee re-
18 ceiving such services;

19 “(viii) the payment by a State or local committee
20 of a political party of the costs of campaign materials
21 (such as pins, bumper stickers, handbills, brochures,
22 posters, party tabloids, and yard signs) used by such
23 committee in connection with volunteer activities on
24 behalf of nominees of such party: Provided, That—

1 “(1) such payments are not for the costs of
2 campaign materials or activities used in connec-
3 tion with any broadcasting, newspaper, magazine,
4 billboard, direct mail or similar type of general
5 public communication or political advertising;

6 “(2) such payments are made from contribu-
7 tions subject to the limitations and prohibitions of
8 this Act; and

9 “(3) such payments are not made from con-
10 tributions designated to be spent on behalf of a
11 particular candidate or particular candidates;

12 “(ix) the payment by a State or local committee
13 of a political party of the costs of voter registration and
14 get-out-the-vote activities conducted by such committee
15 primarily on behalf of nominees of such party for
16 President and Vice President: Provided, That—

17 “(1) such payments are not for the costs of
18 campaign materials or activities used in connec-
19 tion with any broadcasting, newspaper, magazine,
20 billboard, direct mail or similar type of general
21 public communication or political advertising;

22 “(2) such payments are made from contribu-
23 tions subject to the limitations and prohibitions of
24 this Act; and

1 “(3) such payments are not made from con-
2 tributions designated to be spent on behalf of a
3 particular candidate or candidates; and

4 “(x) payments received by a political party com-
5 mittee as a condition of ballot access which are trans-
6 ferred to another political party committee or the ap-
7 propriate State official.

8 “(10) The term ‘Commission’ means the Federal Elec-
9 tion Commission.

10 “(11) The term ‘person’ includes an individual, part-
11 nership, committee, association, corporation, labor organiza-
12 tion, or any other organization or group of persons, but such
13 term does not include the Federal Government or any au-
14 thority of the Federal Government.

15 “(12) The term ‘State’ means a State of the United
16 States, the District of Columbia, the Commonwealth of
17 Puerto Rico, or a territory or possession of the United States.

18 “(13) The term ‘identification’ means—

19 “(A) in the case of any individual, the name, the
20 mailing address, and the occupation of such individual
21 as well as the name of his or her employer; and

22 “(B) in the case of any other person, the full
23 name and address of such person.

24 “(14) The term ‘national committee’ means the organi-
25 zation which, by virtue of the bylaws of a political party, is

1 *responsible for the day-to-day operation of such political*
2 *party at the national level, as determined by the*
3 *Commission.*

4 “(15) *The term ‘State committee’ means the organiza-*
5 *tion which, by virtue of the bylaws of a political party, is*
6 *responsible for the day-to-day operation of such political*
7 *party at the State level, as determined by the Commission.*

8 “(16) *The term ‘political party’ means an association,*
9 *committee, or organization which nominates a candidate for*
10 *election to any Federal office whose name appears on the*
11 *election ballot as the candidate of such association, commit-*
12 *tee, or organization.*

13 “(17) *The term ‘independent expenditure’ means an ex-*
14 *penditure by a person expressly advocating the election or*
15 *defeat of a clearly identified candidate which is made without*
16 *cooperation or consultation with any candidate, or any au-*
17 *thorized committee or agent of such candidate, and which is*
18 *not made in concert with, or at the request or suggestion of,*
19 *any candidate, or any authorized committee or agent of such*
20 *candidate.*

21 “(18) *The term ‘clearly identified’ means that—*

22 “(A) *the name of the candidate involved appears;*

23 “(B) *a photograph or drawing of the candidate*
24 *appears; or*

1 “(C) the identity of the candidate is apparent by
2 unambiguous reference.

3 “(19) The term ‘Act’ means the Federal Election Cam-
4 paign Act of 1971 as amended by the Federal Election Cam-
5 paign Act Amendments of 1974, the Federal Election Cam-
6 paign Act Amendments of 1976, and the Federal Electio
7 n Campaign Act Amendments of 1979.”.

8 ORGANIZATION OF POLITICAL COMMITTEES

9 SEC. 102. Section 302 of the Act (2 U.S.C. 432) is
10 amended to read as follows:

11 “ORGANIZATION OF POLITICAL COMMITTEES

12 “SEC. 302. (a) Every political committee shall have a
13 treasurer. No contribution or expenditure shall be accepted or
14 made by or on behalf of a political committee during any
15 period in which the office of treasurer is vacant. No expendi-
16 ture shall be made for or on behalf of a political committee
17 without the authorization of the treasurer or his or her desig-
18 nated agent.

19 “(b) Every person who receives a contribution for a po-
20 litical committee, shall, no later than 10 days after receiving
21 the contribution, forward to the treasurer the contribution, the
22 name and address of the person making the contribution (if
23 the amount of the contribution is in excess of \$50), and the
24 date of receipt of the contribution. All funds of a political

1 *committee shall be segregated from, and may not be commin-*
2 *gled with, the personal funds of any individual.*

3 “(c) *The treasurer of a political committee shall keep an*
4 *account of—*

5 “(1) *all contributions received by or on behalf of*
6 *such political committee;*

7 “(2) *the name and address of any person who*
8 *makes any contribution in excess of \$50, together with*
9 *the date and amount of such contribution by any*
10 *person;*

11 “(3) *the identification of any person who makes a*
12 *contribution or contributions aggregating more than*
13 *\$100 during a calendar year, together with the date*
14 *and amount of any such contribution;*

15 “(4) *the identification of any political committee*
16 *which makes a contribution, together with the date and*
17 *amount of any such contribution;*

18 “(5) *the name and address of every person to*
19 *whom any disbursement is made, the date, amount,*
20 *and purpose of the disbursement, and the name of the*
21 *candidate and the office sought by the candidate, if*
22 *any, for whom the disbursement was made, including a*
23 *receipt, invoice, or canceled check for each disburse-*
24 *ment in excess of \$100.*

1 “(d) *The treasurer shall preserve all records required to*
2 *be kept by this section and copies of all reports required to be*
3 *filed by this title for 3 years after the report is filed.*

4 “(e)(1) *Each candidate for Federal office (other than*
5 *the nominee for the office of Vice President) shall designate*
6 *in writing a political committee in accordance with para-*
7 *graph (3) to serve as the principal campaign committee of*
8 *such candidate. Such designation shall be made no later than*
9 *15 days after becoming a candidate. A candidate may desig-*
10 *nate additional political committees in accordance with para-*
11 *graph (3) to serve as authorized committees of such candi-*
12 *date. Such designation shall be in writing and filed with the*
13 *principal campaign committee of such candidate in accord-*
14 *ance with paragraph (f)(1).*

15 “(2) *Any candidate described in paragraph (1) who re-*
16 *ceives a contribution, or any loan for use in connection with*
17 *the campaign of such candidate for election, or makes a dis-*
18 *bursement in connection with such campaign, shall be con-*
19 *sidered, for purposes of this title, as having received the con-*
20 *tribution or loan, or as having made the disbursement, as the*
21 *case may be, as an agent of the authorized committee or com-*
22 *mittees of such candidate.*

23 “(3)(A) *No political committee which supports or has*
24 *supported more than one candidate may be designated as an*
25 *authorized committee, except that—*

1 “(i) the candidate for the office of President nomi-
2 nated by a political party may designate the national
3 committee of such political party as a principal cam-
4 paign committee; and

5 “(ii) candidates may designate a political commit-
6 tee established solely for the purpose of joint fundrais-
7 ing by such candidates as an authorized committee.

8 “(B) As used in this section, the term ‘support’ does not
9 include a contribution by any authorized committee in
10 amounts of \$1,000 or less to an authorized committee of any
11 other candidate.

12 “(4) The name of each authorized committee shall in-
13 clude the name of the candidate who authorized such commit-
14 tee under paragraph (1). In the case of any political commit-
15 tee which is not an authorized committee, such political com-
16 mittee shall not include the name of any candidate in its
17 name.

18 “(5) The name of any separate segregated fund estab-
19 lished pursuant to section 316(b) shall include the name of
20 its connected organization.

21 “(f)(1) Notwithstanding any other provision of this title,
22 each designation, statement, or report of receipts or disburse-
23 ments made by an authorized committee of a candidate shall
24 be filed with the candidate’s principal campaign committee.

1 “(2) *Each principal campaign committee shall receive*
2 *all designations, statements, and reports required to be filed*
3 *with it under paragraph (1) and shall compile and file such*
4 *designations, statements, and reports in accordance with this*
5 *title.*

6 “(g)(1) *Designations, statements, and reports required*
7 *to be filed under this title by a candidate or by an authorized*
8 *committee of a candidate for the office of Representative in,*
9 *or Delegate or Resident Commissioner to, the Congress, and*
10 *by the principal campaign committee of such a candidate,*
11 *shall be filed with the Clerk of the House of Representatives,*
12 *who shall receive such designations, statements, and reports*
13 *as custodian for the Commission.*

14 “(2) *Designations, statements, and reports required to*
15 *be filed under this title by a candidate for the office of Sena-*
16 *tor, and by the principal campaign committee of such candi-*
17 *date, shall be filed with the Secretary of the Senate, who*
18 *shall receive such designations, statements, and reports, as*
19 *custodian for the Commission.*

20 “(3) *The Clerk of the House of Representatives and the*
21 *Secretary of the Senate shall forward a copy of any designa-*
22 *tion, statement, or report filed with them under this subsec-*
23 *tion to the Commission as soon as possible (but no later than*
24 *2 working days) after receiving such designation, statement,*
25 *or report.*

1 “(4) All designations, statements, and reports required
2 to be filed under this title, except designations, statements,
3 and reports filed in accordance with paragraphs (1) and (2),
4 shall be filed with the Commission.

5 “(5) The Clerk of the House of Representatives and the
6 Secretary of the Senate shall make the designations, state-
7 ments, and reports received under this subsection available
8 for public inspection and copying in the same manner as the
9 Commission under section 311(a)(4), and shall preserve such
10 designations, statements, and reports in the same manner as
11 the Commission under section 311(a)(5).

12 “(h)(1) Each political committee shall designate one or
13 more State banks, federally chartered depository institutions,
14 or depository institutions the deposits or accounts of which
15 are insured by the Federal Deposit Insurance Corporation,
16 the Federal Savings and Loan Insurance Corporation, or the
17 National Credit Union Administration, as its campaign de-
18 pository or depositories. Each political committee shall main-
19 tain at least one checking account and such other accounts as
20 the committee determines at a depository designated by such
21 committee. All receipts received by such committee shall be
22 deposited in such accounts. No disbursements may be made
23 (other than petty cash disbursements under paragraph (2))
24 by such committee except by check drawn on such accounts
25 in accordance with this section.

1 “(2) A political committee may maintain a petty cash
2 fund for disbursements not in excess of \$100 to any person
3 in connection with a single purchase or transaction. A record
4 of all petty cash disbursements shall be maintained in ac-
5 cordance with subsection (c)(5).”.

6 “(i) When the treasurer of a political committee shows
7 that best efforts have been used to obtain, maintain, and
8 submit the information required by this Act for the political
9 committee, any report or any records of such committee shall
10 be considered in compliance with this Act or chapter 95 or
11 chapter 96 of the Internal Revenue Code of 1954.

12 “REGISTRATION OF POLITICAL COMMITTEES;

13 STATEMENTS

14 SEC. 103. Section 303 of the Act (2 U.S.C. 433) is
15 amended to read as follows:

16 “SEC. 303. (a) Each authorized campaign committee
17 shall file a statement of organization no later than 10 days
18 after designation pursuant to section 302(e)(1). Each sepa-
19 rate segregated fund established under the provisions of sec-
20 tion 316 shall file a statement of organization no later than
21 10 days after establishment. All other committees shall file a
22 statement of organization within 10 days after becoming a
23 political committee within the meaning of section 301(4).

24 “(b) The statement of organization of a political com-
25 mittee shall include—

1 “(1) the name, address, and type of committee;

2 “(2) the name, address, relationship, and type of
3 any connected organization or affiliated committee;

4 “(3) the name, address, and position of the custo-
5 dian of books and accounts of the committee;

6 “(4) the name and address of the treasurer of the
7 committee;

8 “(5) if the committee is authorized by a candi-
9 date, the name, address, office sought, and party affili-
10 ation of the candidate; and

11 “(6) a listing of all banks, safety deposit boxes, or
12 other depositories used by the committee.

13 “(c) Any change in information previously submitted in
14 a statement of organization shall be reported in accordance
15 with section 302(g) no later than 10 days after the date of the
16 change.

17 “(d)(1) A political committee may terminate only when
18 such a committee files a written statement, in accordance
19 with section 302(g), that it will no longer receive any contri-
20 butions or make any disbursements and that such committee
21 has no outstanding debts or obligations.

22 “(2) Nothing contained in this subsection may be con-
23 strued to eliminate or limit the authority of the Commission
24 to establish procedures for—

1 *registered or certified mail no later than the 15th*
2 *day before) any election in which such candidate*
3 *is seeking election, or nomination for election, and*
4 *which shall be complete as of the 20th day before*
5 *such election;*

6 “(i) a post-general election report, which
7 shall be filed no later than the 30th day after any
8 general election in which such candidate has
9 sought election, and which shall be complete as of
10 the 20th day after such general election; and

11 “(iii) additional quarterly reports, which
12 shall be filed no later than the 15th day after the
13 last day of each calendar quarter, and which shall
14 be complete as of the last day of each calendar
15 quarter: except that the report for the quarter
16 ending December 31 shall be filed no later than
17 January 31 of the following calendar year; and

18 “(B) in any other calendar year the following re-
19 ports shall be filed:

20 “(i) a report covering the period beginning
21 January 1 and ending June 30, which shall be
22 filed no later than July 31; and

23 “(ii) a report covering the period beginning
24 July 1 and ending December 31, which shall be

1 *filed no later than January 31 of the following*
2 *calendar year.*

3 “(3) *If the committee is the principal campaign commit-*
4 *tee of a candidate for the office of President—*

5 “(A) *in any calendar year during which a gen-*
6 *eral election is held to fill such office—*

7 “(i) *the treasurer shall file monthly reports if*
8 *such committee has on January 1 of such year,*
9 *received contributions aggregating \$100,000 or*
10 *made expenditures aggregating \$100,000 or an-*
11 *ticipates receiving contributions aggregating*
12 *\$100,000 or more or making expenditures aggre-*
13 *gating \$100,000 or more during such year: such*
14 *monthly reports shall be filed no later than the*
15 *20th day after the last day of each month and*
16 *shall be complete as of the last day of the month,*
17 *except that, in lieu of filing the report otherwise*
18 *due in November and December, a pre-general*
19 *election report shall be filed in accordance with*
20 *paragraph (2)(A)(i), a post-general election report*
21 *shall be filed in accordance with paragraph*
22 *(2)(A)(ii), and a year end report shall be filed no*
23 *later than January 31 of the following calendar*
24 *year;*

1 “(i) the treasurer of the other principal cam-
2 paign committees of a candidate for the office of
3 President shall file a pre-election report or reports
4 in accordance with paragraph (2)(A)(i), a post-
5 general election report in accordance with para-
6 graph (2)(A)(ii), and quarterly reports in accord-
7 ance with paragraph (2)(A)(iii); and

8 “(iii) if at any time during the election year
9 a committee filing under paragraph (3)(A)(ii) re-
10 ceives contributions in excess of \$100,000 or
11 makes expenditures in excess of \$100,000, the
12 treasurer shall begin filing monthly reports under
13 paragraph (3)(A)(i) at the next pending period.

14 “(B) in any other calendar year, the treasurer
15 shall file either—

16 “(i) monthly reports, which shall be filed no
17 later than the 20th day after the last day of each
18 month and shall be complete as of the last day of
19 the month; or

20 “(ii) quarterly reports, which shall be filed
21 no later than the 15th day after the last day of
22 each calendar quarter and which shall be complete
23 as of the last day of each calendar quarter.

24 “(4) All political committees other than authorized com-
25 mittees of a candidate shall either—

1 “(A)(i) file quarterly reports, in a calendar year
2 in which a regularly scheduled general election is held,
3 which shall be filed no later than the 15th day after
4 the last day of each calendar quarter: except that the
5 report for the quarter ending on December 31 of such
6 calendar year shall be filed no later than January 31
7 of the following calendar year;

8 “(ii) a pre-election report, which shall be filed no
9 later than the 12th day before (or posted by registered
10 or certified mail no later than the 15th day before) any
11 election in which the committee makes a contribution
12 to or expenditure on behalf of a candidate in such elec-
13 tion, and which shall be complete as of the 20th day
14 before the election;

15 “(iii) a post-general election report, which shall be
16 filed no later than the 30th day after the general elec-
17 tion and which shall be complete as of the 20th day
18 after such general election; and

19 “(iv) in any other calendar year, a report cover-
20 ing the period beginning January 1 and ending June
21 30, which shall be filed no later than July 31 and a
22 report covering the period beginning July 1 and ending
23 December 31, which shall be filed no later than Janu-
24 ary 31 of the following calendar year; or

1 “(B) file monthly reports in all calendar years
2 which shall be filed no later than the 20th day after
3 the last day of the month and shall be complete as of
4 the last day of the month, except that, in lieu of filing
5 the reports otherwise due in November and December
6 of any year in which a regularly scheduled general
7 election is held, a pre-general election report shall be
8 filed in accordance with paragraph (2)(A)(i), a post-
9 general election report shall be filed in accordance with
10 paragraph (2)(A)(ii), and a yearend report shall be
11 filed no later than January 31 of the following calen-
12 dar year.

13 “(5) If designation, report, or statement filed pursuant
14 to this title (other than under paragraph (2)(A)(i) or
15 (4)(A)(ii)) is sent by registered or certified mail, the United
16 States postmark shall be considered the date of filing of the
17 designation, report, or statement.

18 “(6)(A) The principal campaign committee of a candi-
19 date shall notify the Clerk, the Secretary, or the Commis-
20 sion, and the Secretary of State, as appropriate, in writing,
21 of any contribution of \$1,000 or more received by any au-
22 thorized committee of such candidate after the 20th day, but
23 more than 48 hours before, any election. This notification
24 shall be made within 48 hours after the receipt of such contri-
25 bution and shall include the name of the candidate and the

1 office sought by the candidate, the identification of the
2 contributor, and the date of receipt and amount of the
3 contribution.

4 “(B) The notification required under this paragraph
5 shall be in addition to all other reporting requirements under
6 this title.

7 “(7) The reports required to be filed by this subsection
8 shall be cumulative during the calendar year to which they
9 relate, but where there has been no change in an item report-
10 ed in a previous report during such year, only the amount
11 need be carried forward.

12 “(8) The requirement for a political committee to file a
13 quarterly report under paragraph (2)(A)(iii) or paragraph
14 (4)(A)(i) shall be waived if such committee is required to file
15 a pre-election report under paragraph (2)(A)(i), or paragraph
16 (4)(A)(ii) during the period beginning on the 5th day after
17 the close of the calendar quarter and ending on the 15th day
18 after the close of the calendar quarter.

19 “(9) The Commission shall set filing dates for reports to
20 be filed by principal campaign committees of candidates seek-
21 ing election, or nomination for election, in special elections
22 and political committees filing under paragraph (4)(A) which
23 make contributions to or expenditures on behalf of a candi-
24 date or candidate in special elections. The Commission shall
25 require no more than one pre-election report for each election

1 and one post-election report for the election which fills the
2 vacancy. The Commission may waive any reporting obliga-
3 tion of committees required to file for special elections if any
4 report required by subsection (2) or (4) is required to be filed
5 within 10 days of a report required under this subsection.
6 The Commission shall establish the reporting dates within 5
7 days of the setting of such election and shall publish such
8 dates and notify the principal campaign committees of all
9 candidates in such election of the reporting dates.

10 “(10) The treasurer of a committee supporting a candi-
11 date for the office of Vice President (other than the nominee
12 of a political party shall file reports in accordance with sub-
13 section (3).

14 “(b) Each report under this section shall disclose—

15 “(1) the amount of cash on hand at the beginning
16 of the reporting period;

17 “(2) for the reporting period and the calendar
18 year, the total amount of all receipts, and the total
19 amount of all receipts in the following categories:

20 “(A) contributions from persons other than
21 political committees;

22 “(B) for an authorized committee, contribu-
23 tions from the candidate;

24 “(C) contributions from political party com-
25 mittees;

1 “(D) contributions from other political com-
2 mittees;

3 “(E) for an authorized committee, transfers;
4 from other authorized committees of the same can-
5 didate;

6 “(F) transfers from affiliated committees
7 and, where the reporting committee is a political
8 party committee, transfers from other political
9 party committees, regardless of whether such com-
10 mittees are affiliated;

11 “(G) for an authorized committee, loans
12 made by or guaranteed by the candidate;

13 “(H) all other loans;

14 “(I) rebates, refunds, and other offsets to op-
15 erating expenditures;

16 “(J) dividends, interest, and other forms of
17 receipts; and

18 “(K) for an authorized committee of a candi-
19 date for the office of President, Federal funds re-
20 ceived under chapter 95 and chapter 96 of the In-
21 ternal Revenue Code of 1954;

22 “(3) the identification of each—

23 “(A) person (other than a political commi-
24 tee) who makes a contribution to the reporting
25 committee during the reporting period, whose con-

1 *tribution or contributions have an aggregate*
2 *amount or value in excess of \$100 within the cal-*
3 *endar year, together with the date of receipt and*
4 *amount of any such contribution;*

5 “(B) *political committee which makes a con-*
6 *tribution to the reporting committee during the re-*
7 *porting period, together with the date of receipt*
8 *and amount of any such contribution;*

9 “(C) *authorized committee which makes a*
10 *transfer to the reporting committee;*

11 “(D) *affiliated committee which makes a*
12 *transfer to the reporting committee during the re-*
13 *porting period and, where the reporting committee*
14 *is a political party committee, each transfer of*
15 *funds to the reporting committee from another po-*
16 *litical party committee, regardless of whether such*
17 *committees are affiliated, together with the date*
18 *and amount of such transfer;*

19 “(E) *person who makes a loan to the report-*
20 *ing committee during the reporting period, togeth-*
21 *er with the identification of any endorser or guar-*
22 *antor of such loan, and the date and amount or*
23 *value of such loan;*

24 “(F) *person who provides a rebate, refund or*
25 *other offset to operating expenditures to the report-*

1 *ing committee in an aggregate amount or value in*
2 *excess of \$100 within the calendar year, together*
3 *with the date of receipt and amount of such re-*
4 *ceipt;*

5 *“(G) person who provides any dividend, in-*
6 *terest, or other receipt to the reporting committee*
7 *in an aggregate value or amount in excess of*
8 *\$100 within the calendar year, together with the*
9 *date of receipt and amount of any such receipt;*

10 *“(4) for the reporting period and the calendar*
11 *year, the total amount of all disbursements, and all*
12 *disbursements in the following categories:*

13 *“(A) expenditures made to meet candidate or*
14 *committee operating expenses;*

15 *“(B) for authorized committees, transfers to*
16 *other committees authorized by the same candi-*
17 *date;*

18 *“(C) transfers to affiliated committees and,*
19 *where the reporting committee is a political party*
20 *committee, transfers to other political party com-*
21 *mittees, regardless of whether they are affiliated;*

22 *“(D) for an authorized committee, repayment*
23 *of loans made by or guaranteed by the candidate;*

24 *“(E) repayment of all other loans;*

1 “(F) contribution refunds and other offsets to
2 contributions;

3 “(G) for an authorized committee, any other
4 disbursements;

5 “(H) for any political committee other than
6 an authorized committee—

7 “(i) contributions made to other politi-
8 cal committees;

9 “(ii) loans made by the reporting com-
10 mittees;

11 “(iii) independent expenditures;

12 “(iv) expenditures made under section
13 315(d) of the Act;

14 “(v) any other disbursements;

15 “(I) for an authorized committee of a candi-
16 date for the office of President, disbursements not
17 subject to the limitation of 315(b);

18 “(5) the name and address of each—

19 “(A) person to whom an expenditure in an
20 aggregate amount or value in excess of \$200
21 within the calendar year is made by the reporting
22 committee to meet a candidate or committee oper-
23 ating expense, together with the date, amount, and
24 purpose of such operating expenditure;

1 “(B) authorized committee to which a trans-
2 fer is made by the reporting committee;

3 “(C) affiliated committee to which a transfer
4 is made by the reporting committee during the re-
5 porting period and, where the reporting committee
6 is a political party committee, each transfer of
7 funds by the reporting committee to another politi-
8 cal party committee, regardless of whether such
9 committees are affiliated, together with the date
10 and amount of such transfers;

11 “(D) person who receives a loan repayment
12 from the reporting committee during the reporting
13 period, together with the date and amount of such
14 loan repayment;

15 “(E) person who receives a contribution
16 refund or other offset to contributions from the re-
17 porting committee where such contribution was re-
18 ported under paragraph 3(A) of this clause,
19 together with the date and amount of such
20 disbursement;

21 “(6)(A) for an authorized committee, the name
22 and address of each person who has received any dis-
23 bursement not disclosed under paragraph (5) which in
24 an aggregate amount or value in excess of \$200 within

1 *the calendar year, together with the date and amount of*
2 *any such disbursement;*

3 “(B) for any other political committee, the name
4 and address of each—

5 “(i) political committee which has received a
6 contribution from the reporting committee during
7 the reporting period, together with the date and
8 amount of any such contribution;

9 “(ii) person who has received a loan from the
10 reporting committee during the reporting period,
11 together with the date and amount of such loan;

12 “(iii) person who receives any disbursement
13 during the reporting period which in an aggregate
14 amount or value in excess of \$200 within the cal-
15 endar year in connection with an independent ex-
16 penditure by the reporting committee, together
17 with the date, amount, and purpose of any such
18 independent expenditure and a statement which
19 indicates whether such independent expenditure is
20 in support of, or in opposition to, a candidate, as
21 well as the name and office sought by such candi-
22 date, and a certification, under penalty of perju-
23 ry, whether such independent expenditure is made
24 in cooperation, consultation, or concert, with, or
25 at the request or suggestion of, any candidate or

1 any authorized committee or agent of such
2 committee;

3 “(iv) person who receives any expenditure
4 from the reporting committee during the reporting
5 period in connection with an expenditure under
6 section 315(d) in the Act, together with the date,
7 amount, and purpose of any such expenditure as
8 well as the name of, and office sought by, the can-
9 didate on whose behalf the expenditure is made;

10 “(v) person who has received any disburse-
11 ment not otherwise disclosed in this paragraph or
12 paragraph (5) in an aggregate amount or value in
13 excess of \$200 within the calendar year from the
14 reporting committee within the reporting period,
15 together with the date, amount, and purpose of
16 any such disbursement;

17 “(7) the total sum of all contributions to such po-
18 litical committee, together with the total contributions
19 less offsets to contributions and the total sum of all op-
20 erating expenditures made by such political committee,
21 together with total operating expenditures less offsets to
22 operating expenditures, for both the reporting period
23 and the calendar year;

24 “(8) the amount and nature of outstanding debts
25 and obligations owed by or to such political committee

1 together with a statement as to the circumstances and
2 conditions under which any debts or obligations owed
3 by or to such committee were extinguished and the con-
4 sideration thereof.

5 “(c)(1) Every person (other than a political committee)
6 who makes independent expenditures in an aggregate amount
7 or value in excess of \$100 during a calendar year shall file a
8 statement containing the information required under subsec-
9 tion (b)(3)(A) for all contributions received by such person.

10 “(2) Statements required to be filed by this subsection
11 shall be filed in accordance with subsection (a)(2), and shall
12 include—

13 “(A) the information required by subsection
14 (b)(6)(B)(iii), indicating whether the independent ex-
15 penditure is in support of, or in opposition to, the can-
16 didate involved;

17 “(B) under penalty of perjury, a certification
18 whether such independent expenditure is made in coop-
19 eration, consultation, or concert, with, or at the request
20 or suggestion of, any candidate or any authorized com-
21 mittee or agent of such candidate; and

22 “(C) the identification of each person who made a
23 contribution in excess of \$100 to the person filing such
24 statement which was made for the purpose of further-
25 ing an independent expenditure.

1 *Any independent expenditure (including those described in*
2 *subsection (b)(6)(B)(iii)) aggregating \$1,000 or more made*
3 *after the 20th day, but more than 24 hours, before any elec-*
4 *tion shall be reported within 24 hours after such independent*
5 *expenditure is made. Such statement shall be filed with the*
6 *Clerk, the Secretary, or the Commission and the Secretary*
7 *of State and shall contain the information required by sub-*
8 *section (b)(6)(B)(iii) indicating whether the independent ex-*
9 *penditure is in support of, or in opposition to, the candidate*
10 *involved.*

11 *“(3) The Commission shall be responsible for expedi-*
12 *tiously preparing indices which set forth, on a candidate-by-*
13 *candidate basis, all independent expenditures separately, in-*
14 *cluding those reported under subsection (b)(6)(B)(iii), made*
15 *by or for each candidate, as reported under this subsection,*
16 *and for periodically publishing such indices on a timely pre-*
17 *election basis.”.*

18 **FEDERAL ELECTION COMMISSION**

19 *SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is*
20 *amended—*

21 *(1) by striking out sections 305, 306, 308, 311,*
22 *318, and 329;*

23 *(2) by redesignating section 307 as section 305;*

24 *(3) by redesignating sections 309 and 310 as sec-*
25 *tions 306 and 307, respectively;*

1 (4) by redesignating sections 312 through 317 as
2 sections 308 through 313, respectively;

3 (5) by redesignating sections 319 through 328 as
4 sections 314 through 323, respectively; and

5 (6) section 306 as so redesignated section 105
6 (a)(3), is amended to read as follows:

7 “FEDERAL ELECTION COMMISSION

8 “SEC. 306. (a)(1) There is established a commission to
9 be known as the Federal Election Commission. The Com-
10 mission is composed of the Secretary of the Senate and the
11 Clerk of the House of Representatives or their designees, ex
12 officio and without the right to vote, and 6 members appoint-
13 ed by the President, by and with the advice and consent of
14 the Senate. No more than 3 members of the Commission ap-
15 pointed under this paragraph may be affiliated with the same
16 political party.

17 “(2)(A) Members of the Commission shall serve for
18 terms of 6 years, except that of the members first appointed—

19 “(i) two of the members, not affiliated with the
20 same political party, shall be appointed for terms
21 ending on April 30, 1977;

22 “(ii) two of the members, not affiliated with the
23 same political party, shall be appointed for terms
24 ending on April 30, 1979; and

1 “(iii) two of the members, not affiliated with the
2 same political party, shall be appointed for terms
3 ending on April 30, 1981.

4 “(B) A member of the Commission may serve on the
5 Commission after the expiration of his term until his succes-
6 sor has taken office as a member of the Commission.

7 “(C) An individual appointed to fill a vacancy occur-
8 ring other than by the expiration of a term of office shall be
9 appointed only for the unexpired term of the member he suc-
10 ceeds.

11 “(D) Any vacancy occurring in the membership of the
12 Commission shall be filled in the same manner as in the case
13 of the original appointment.

14 “(3) Members shall be individuals who, at the time ap-
15 pointed to the Commission, are not elected or appointed offi-
16 cers or employees in the executive, legislative, or judicial
17 branch of the Federal Government. Members of the Commis-
18 sion shall not engage in any other business, vocation, or em-
19 ployment. Any individual who is engaging in any other busi-
20 ness, vocation, or employment at the time of their appoint-
21 ment to the Commission shall terminate or liquidate such
22 activity no later than 90 days after such appointment.

23 “(4) Members of the Commission (other than the Secre-
24 tary of the Senate and the Clerk of the House of Representa-
25 tives) shall receive compensation equivalent to the compensa-

1 tion paid at level IV of the Executive Schedule (5 U.S.C.
2 5315).

3 “(5) The Commission shall elect a chairman and a vice
4 chairman from among its members (other than the Secretary
5 of the Senate and the Clerk of the House of Representatives)
6 for a term of one year. A member may serve as chairman
7 only once during any term of office to which such member is
8 appointed. The chairman and the vice chairman shall not be
9 affiliated with the same political party. The vice chairman
10 shall act as chairman in the absence or disability of the
11 chairman or in the event of a vacancy in such office.

12 “(b)(1) The Commission shall administer, seek to
13 obtain compliance with, and formulate policy with respect to,
14 this chapter and chapter 95 and chapter 96 of the Internal
15 Revenue Code of 1954. The Commission shall have exclusive
16 jurisdiction with respect to the civil enforcement of such pro-
17 visions.

18 “(2) Nothing in this chapter shall be construed to limit,
19 restrict, or diminish any investigatory, informational, over-
20 sight, supervisory, or disciplinary authority or function of
21 the Congress or any committee of the Congress with respect
22 to elections for Federal office.

23 “(c) All decisions of the Commission with respect to the
24 exercise of its duties and powers under the provisions of this
25 subchapter shall be made by a majority vote of the members

1 of the Commission. A member of the Commission may not
2 delegate to any person his vote or any decisionmaking au-
3 thority or duty vested in the Commission by the provisions of
4 this subchapter, except that the affirmative vote of 4 members
5 of the Commission shall be required in order for the Commis-
6 sion to take any action in accordance with paragraphs (6),
7 (7), (8), or (9) of section 307(a) of this title or with chapte-
8 95 or chapter 96 of the Internal Revenue Code of 1954.

9 “(d) The Commission shall meet at least once each
10 month and also at the call of any member.

11 “(e) The Commission shall prepare written rules for the
12 conduct of its activities, shall have an official seal which
13 shall be judicially noticed, and shall have its principal office
14 in or near the District of Columbia (but it may meet or exer-
15 cise any of its powers anywhere in the United States).

16 “(f)(1) The Commission shall have a staff director and
17 a general counsel who shall be appointed by the Commission.
18 The staff director shall be paid at a rate not to exceed the rate
19 of basic pay in effect for level IV of the Executive Schedule
20 (5 U.S.C. 5315). The general counsel shall be paid at a rate
21 not to exceed the rate of basic pay in effect for level V of the
22 Executive Schedule (5 U.S.C. 5316). With the approval of
23 the Commission, the staff director may appoint and fix the
24 pay of such additional personnel as he considers desirable.

1 *without regard to the provisions of title 5 governing appoint-*
 2 *ments in the competitive service.*

3 “(2) *With the approval of the Commission, the staff di-*
 4 *rector may procure temporary and intermittent services to the*
 5 *same extent as is authorized by section 3109(b) of title 5, but*
 6 *at rates for individuals not to exceed the daily equivalent of*
 7 *the annual rate of basic pay in effect for grade GS-15 of the*
 8 *General Schedule (5 U.S.C. 5332).*

9 “(3) *In carrying out its responsibilities under this chap-*
 10 *ter, the Commission shall, to the fullest extent practicable,*
 11 *avail itself of the assistance, including personnel and facili-*
 12 *ties of other agencies and departments of the United States.*
 13 *The heads of such agencies and departments may make*
 14 *available to the Commission such personnel, facilities, and*
 15 *other assistance, with or without reimbursement, as the Com-*
 16 *mission may request.”.*

17 **POWERS OF THE COMMISSION**

18 **SEC. 106.** *Section 307, as so redesignated in section*
 19 *105(a)(3), is amended to read as follows:*

20 **“POWERS OF THE COMMISSION**

21 **“SEC. 307. (a)** *The Commission has the power—*

22 “(1) *to require by special or general orders, any*
 23 *person to submit, under oath, such written reports and*
 24 *answers to questions as the Commission may prescribe;*

25 “(2) *to administer oaths or affirmations;*

1 “(3) to require by subpoena, signed by the chair-
2 man or the vice chairman, the attendance and testi-
3 mony of witnesses and the production of all documen-
4 tary evidence relating to the execution of its duties;

5 “(4) in any proceeding or investigation, to order
6 testimony to be taken by deposition before any person
7 who is designated by the Commission and has the
8 power to administer oaths and, in such instances, to
9 compel testimony and the production of evidence in the
10 same manner as authorized under paragraph (3);

11 “(5) to pay witnesses the same fees and mileage
12 as are paid in like circumstances in the courts of the
13 United States;

14 “(6) to initiate (through civil actions for injunctive,
15 declaratory, or other appropriate relief), defend (in the
16 case of any civil action brought under section
17 309(a)(8) of this title) or appeal any civil action in the
18 name of the Commission to enforce the provisions of
19 this Act and chapter 95 and chapter 96 of the Internal
20 Revenue Code of 1954, through its general counsel;

21 “(7) to render advisory opinions under section
22 308 of this title;

23 “(8) to develop such prescribed forms and to
24 make, amend, and repeal such rules, pursuant to the
25 provisions of chapter 5 of title 5, as are necessary to

1 *carry out the provisions of this chapter and chapter 95*
2 *and chapter 96 of the Internal Revenue Code of 1954;*
3 *and*

4 “(9) *to conduct investigations and hearing expedi-*
5 *tiously, to encourage voluntary compliance, and to*
6 *report apparent violations to the appropriate law en-*
7 *forcement authorities.*

8 “(b) *Upon petition by the Commission, any United*
9 *States district court within the jurisdiction of which any in-*
10 *quiry is being carried on may, in case of refusal to obey a*
11 *subpena or order of the Commission issued under subsection*
12 *(a), issue an order requiring compliance. Any failure to obey*
13 *the order of the court may be punished by the court as a*
14 *contempt thereof.*

15 “(c) *No person shall be subject to civil liability to any*
16 *person (other than the Commission or the United States) for*
17 *disclosing information at the request of the Commission.*

18 “(d)(1) *Whenever the Commission submits any budget*
19 *estimate or request to the President or the Office of Manage-*
20 *ment and Budget, it shall concurrently transmit a copy of*
21 *such estimate or request to the Congress.*

22 “(2) *Whenever the Commission submits any legislative*
23 *recommendation, or testimony, or comments on legislation,*
24 *requested by the Congress or by any Member of the Con-*
25 *gress, to the President or the Office of Management and*

1 *Budget, it shall concurrently transmit a copy thereof to the*
 2 *Congress or to the Member requesting the same. No officer or*
 3 *agency of the United States shall have any authority to re-*
 4 *quire the Commission to submit its legislative recommenda-*
 5 *tions, testimony, or comments on legislation, to any office or*
 6 *agency of the United States for approval, comments, or*
 7 *review, prior to the submission of such recommendations, tes-*
 8 *timony, or comments to the Congress.*

9 “(e) *Except as provided in section 309(a)(8) of this*
 10 *title, the power of the Commission to initiate civil actions*
 11 *under subsection (a)(6) of this section shall be the exclusiv*
 12 *civil remedy for the enforcement of the provisions of this*
 13 *chapter.”*

14 *ADVISORY OPINIONS*

15 *SEC. 107. (a) Section 308 of the Act, as so redesignated*
 16 *in section 105(a)(4), is amended to read as follows:*

17 “*ADVISORY OPINIONS*

18 “*SEC. 308. (a)(1) Not later than 60 days after the*
 19 *Commission receives from a person a complete written re-*
 20 *quest concerning the application of this Act, chapter 95 or*
 21 *chapter 96 of the Internal Revenue Code of 1954, or a rule*
 22 *or regulation prescribed by the Commission, with respect to a*
 23 *specific transaction or activity by the person, the Commis-*
 24 *sion shall render a written advisory opinion relating to such*
 25 *transaction or activity to the person.*

1 “(2) If an advisory opinion is requested by a candidate,
2 or any authorized committee of such candidate, during the
3 60-day period before any election for Federal office involving
4 the requesting party, the Commission shall render a written
5 advisory opinion relating to such request no later than 20
6 days after the Commission receives a complete written re-
7 quest.

8 “(b) Any rule of law which is not stated in this Act or
9 in chapter 95 or chapter 96 of the Internal Revenue Code of
10 1954 may be initially proposed by the Commission only as a
11 rule or regulation pursuant to procedures established in sec-
12 tion 311(f). No opinion of an advisory nature may be issued
13 by the Commission or any of its employees except in accord-
14 ance with the provisions of this section.

15 “(c)(1) Any advisory opinion rendered by the Commis-
16 sion under subsection (a) may be relied upon by—

17 “(A) any person involved in the specific transac-
18 tion or activity with respect to which such advisory
19 opinion is rendered; and

20 “(B) any person involved in any specific transac-
21 tion or activity which is indistinguishable in all its
22 material aspects from the transaction or activity with
23 respect to which such advisory opinion is rendered.”.

24 “(2) Notwithstanding any other provisions of law, any
25 person who relies upon any provision or finding of an

1 *advisory opinion in accordance with the provisions of para-*
2 *graph (1) and who acts in good faith in accordance with the*
3 *provisions and findings of such advisory opinion shall not, as*
4 *a result of any such act, be subject to any sanction provided*
5 *by this chapter or by chapter 95 or chapter 96 of title 26.*

6 “(d) The Commission shall make public any request
7 made under subsection (a) for an advisory opinion. Before
8 rendering an advisory opinion, the Commission shall accept
9 written comments submitted by any interested party within
10 the 10-day period following the date the request is made
11 public.”.

12 **ENFORCEMENT**

13 **SEC. 108.** *Section 309 of the Act, as so redesignated in*
14 *section 105(a)(4), is amended to read as follows:*

15 **“ENFORCEMENT**

16 **“SEC. 309. (a)(1)** *Any person who believes a violation*
17 *of this Act or of chapter 95 or chapter 96 of the Internal*
18 *Revenue Code of 1954 has occurred, may file a complaint*
19 *with the Commission. Such complaint shall be in writing,*
20 *signed and sworn to by the person filing such complaint,*
21 *shall be notarized, and shall be made under penalty of perju-*
22 *ry and subject to the provisions of section 1001 of title 18.*
23 *Within 5 days after receipt of a complaint, the Commission*
24 *shall notify, in writing, any person alleged in the complaint*
25 *to have committed such a violation. Before the Commission*

1 conducts any vote on the complaint, other than a vote to dis-
2 miss, any person so notified shall have the opportunity to
3 demonstrate, in writing, to the Commission within 15 days
4 after notification that no action should be taken against such
5 person on the basis of the complaint. The Commission may
6 not conduct any investigation or take any other action under
7 this section solely on the basis of a complaint of a person
8 whose identity is not disclosed to the Commission.

9 “(2) If the Commission, upon receiving a complaint
10 under paragraph (1) or on the basis of information ascer-
11 tained in the normal course of carrying out its supervisory
12 responsibilities, determines, by an affirmative vote of 4 of its
13 members, that it has reason to believe that a person has com-
14 mitted, or is about to commit, a violation of this Act or chap-
15 ter 95 or chapter 96 of the Internal Revenue Code of 1954,
16 the Commission shall, through its chairman or vice chair-
17 man, notify the person of the alleged violation. Such notifica-
18 tion shall set forth the factual basis for such alleged violation.
19 The Commission shall make an investigation of such alleged
20 violation, which may include a field investigation or audit,
21 in accordance with the provisions of this section.

22 “(3) The general counsel of the Commission shall notify
23 the respondent of any recommendation to the Commission by
24 the general counsel to proceed to a vote on probable cause
25 pursuant to paragraph (4)(A)(i). With such notification, the

1 *general counsel shall include a brief stating the position of*
2 *the general counsel on the legal and factual issues of the case*
3 *Within 15 days of receipt of such brief, respondent may*
4 *submit a brief stating the position of a respondent on the*
5 *legal and factual issues of the case, and replying to the brief*
6 *of general counsel. Such briefs shall be filed with the Secre-*
7 *tary of the Commission and shall be considered by the Com-*
8 *mission before proceeding under paragraph (4).*

9 “(4)(A)(i) *Except as provided in clause (ii), if the Com-*
10 *mission determines, by an affirmative vote of 4 of its mem-*
11 *bers, that there is probable cause to believe that any person*
12 *has committed, or is about to commit, a violation of this Act*
13 *or of chapter 95 or chapter 96 of the Internal Revenue Code*
14 *of 1954, the Commission shall attempt, for a period of at*
15 *least 30 days, to correct or prevent such violation by informal*
16 *methods of conference, conciliation, and persuasion, and to*
17 *enter into a conciliation agreement with any person involved.*
18 *Such attempt by the Commission to correct or prevent such*
19 *violation may continue for a period of not more than 90 days.*
20 *The Commission may not enter into a conciliation agreement*
21 *under this clause except pursuant to an affirmative vote of 4*
22 *of its members. A conciliation agreement, unless violated, is*
23 *a complete bar to any further action by the Commission, in-*
24 *cluding the bringing of a civil proceeding under subpara-*
25 *graph 6(A).*

1 “(i) If any determination of the Commission under
2 clause (i) occurs during the 45-day period immediately pre-
3 ceding any election, then the Commission shall attempt, for a
4 period of at least 15 days, to correct or prevent the violation
5 involved by the methods specified in clause (i).

6 “(B)(i) No action by the Commission or any person,
7 and no information derived, in connection with any concilia-
8 tion attempt by the Commission under subparagraph (A)
9 may be made public by the Commission without the written
10 consent of the respondent and Commission.

11 “(i) If a conciliation agreement is agreed upon by the
12 Commission and the respondent, the Commission shall make
13 public any conciliation agreement signed by both the Com-
14 mission and the respondent. If the Commission makes a de-
15 termination that a person has not violated this Act or chapter
16 95 or chapter 96 of the Internal Revenue Code of 1954, the
17 Commission shall make public such determination.

18 “(5)(A) If the Commission believes that a violation of
19 this Act or of chapter 95 or chapter 96 of the Internal Reve-
20 nue Code of 1954 has been committed, a conciliation agree-
21 ment entered into by the Commission under paragraph
22 (4)(A) may include a requirement that the person involved in
23 such conciliation agreement shall pay a civil penalty which
24 does not exceed the greater of \$5,000 or an amount equal to
25 any contribution or expenditure involved in such violation.

1 “(B) If the Commission believes that a knowing and
2 willful violation of this Act or of chapter 95 or chapter 96 of
3 the Internal Revenue Code of 1954 has been committed, a
4 conciliation agreement entered into by the Commission under
5 paragraph (4)(A) may require that the person involved in
6 such conciliation agreement shall pay a civil penalty which
7 does not exceed the greater of \$10,000 or an amount equal to
8 200 percent of any contribution or expenditure involved in
9 such violation.

10 “(C) If the Commission by an affirmative vote of 4 of
11 its members, determines that there is probable cause to be-
12 lieve that a knowing and willful violation of this Act which is
13 subject to subsection (d), or a knowing and willful violation
14 of chapter 95 or chapter 96 of the Internal Revenue Code of
15 1954, has occurred or is about to occur, it may refer such
16 apparent violation to the Attorney General of the United
17 States without regard to any limitations set forth in para-
18 graph (4)(A).

19 “(D) In any case in which a person has entered into a
20 conciliation agreement with the Commission under para-
21 graph (4)(A), the Commission may institute a civil action for
22 relief under paragraph (6)(A) if it believes that the person
23 has violated any provision of such conciliation agreement.
24 For the Commission to obtain relief in any civil action, the
25 Commission need only establish that the person has violated,

1 *in whole or in part, any requirement of such conciliation*
2 *agreement.*

3 “(6)(A) *If the Commission is unable to correct or pre-*
4 *vent any violation of this Act or of chapter 95 or chapter 96*
5 *of the Internal Revenue Code of 1954, by the methods speci-*
6 *fied in paragraph (4)(A), the Commission may, upon an af-*
7 *firmative vote of 4 of its members, institute a civil action for*
8 *relief, including a permanent or temporary injunction, re-*
9 *straining order, or any other appropriate order (including an*
10 *order for a civil penalty which does not exceed the greater of*
11 *\$5,000 or an amount equal to any contribution or expendi-*
12 *ture involved in such violation) in the district court of the*
13 *United States for the district in which the person against*
14 *whom such action is brought is found, resides, or transacts*
15 *business.*

16 “(B) *In any civil action instituted by the Commission*
17 *under subparagraph (A), the court may grant a permanent or*
18 *temporary injunction, restraining order, or other order, in-*
19 *cluding a civil penalty which does not exceed the greater of*
20 *\$5,000 or an amount equal to any contribution or expendi-*
21 *ture involved in such violation, upon a proper showing that*
22 *the person involved has committed, or is about to commit (if*
23 *the relief sought is a permanent or temporary injunction or a*
24 *restraining order), a violation of this Act or chapter 95 or*
25 *chapter 96 of the Internal Revenue Code of 1954.*

1 “(C) In any civil action for relief instituted by the
2 Commission under subparagraph (A), if the court determines
3 that the Commission has established that the person involved
4 in such civil action has committed a knowing and willful
5 violation of this Act or of chapter 95 or chapter 96 of the
6 Internal Revenue Code of 1954, the court may impose a civil
7 penalty which does not exceed the greater of \$10,000 or an
8 amount equal to 200 percent of any contribution or expendi-
9 ture involved in such violation.

10 “(7) In any action brought under paragraph (5) or (6),
11 subpoenas for witnesses who are required to attend a United
12 States district court may run into any other district.

13 “(8)(A) Any party aggrieved by an order of the Com-
14 mission dismissing a complaint filed by such party under
15 paragraph (1), or by a failure of the Commission to act on
16 such complaint during the 120-day period beginning on the
17 date the complaint is filed, may file a petition with the
18 United States District Court for the District of Columbia.

19 “(B) Any petition under subparagraph (A) shall be
20 filed, in the case of a dismissal of a complaint by the Com-
21 mission, within 60 days after the date of the dismissal.

22 “(C) In any proceeding under this paragraph the court
23 may declare that the dismissal of the complaint or the failure
24 to act is contrary to law, and may direct the Commission to
25 conform with such declaration within 30 days, failing which

1 *the complainant may bring, in the name of such complain-*
2 *ant, a civil action to remedy the violation involved in the*
3 *original complaint.*

4 “(9) *Any judgment of a district court under this subsec-*
5 *tion may be appealed to the court of appeals, and the judg-*
6 *ment of the court of appeals affirming or setting aside, in*
7 *whole or in part, any such order of the district court shall be*
8 *final, subject to review by the Supreme Court of the United*
9 *States upon certiorari or certification as provided in section*
10 *1254 of title 28, United States Code.*

11 “(10) *Any action brought under this subsection shall be*
12 *advanced on the docket of the court in which filed, and put*
13 *ahead of all other actions (other than other actions brought*
14 *under this subsection or under section 437h of this title).*

15 “(11) *If the Commission determines after an investiga-*
16 *tion that any person has violated an order of the court entered*
17 *in a proceeding brought under paragraph (6), it may petition*
18 *the court for an order to hold such person in civil contempt,*
19 *but if it believes the violation to be knowing and willful it*
20 *may petition the court for an order to hold such person in*
21 *criminal contempt.*

22 “(12)(A) *Any complaint filed under this section, or any*
23 *notification or investigation made under this section shall not*
24 *be made public by the Commission or by any person without*
25 *the written consent of the person who is the subject of such*

1 *complaint, the person receiving such notification or the*
2 *person under investigation.*

3 “(B) *Any member or employee of the Commission, or*
4 *any other person, who violates the provisions of subparagraph*
5 *(A) shall be fined not more than \$2,000. Any such member,*
6 *employee, or other person who knowingly and willfully vio-*
7 *lates the provisions of subparagraph (A) shall be fined not*
8 *more than \$5,000.*

9 “(b) *Before taking any action under subsection (a,*
10 *against any person who has failed to file a report required*
11 *under section 304(a)(2)(A)(iii) for the calendar quarter im-*
12 *mediately preceding the election involved, or in accordance*
13 *with section 304(a)(2)(A)(i), the Commission shall notify the*
14 *person of such failure to file the required reports. If a satis-*
15 *factory response is not received within 4 business days after*
16 *the date of notification, the Commission shall, pursuant to*
17 *section 311(a)(7), publish before the election the name of the*
18 *person and the report or reports such person has failed to file*

19 “(c) *Whenever the Commission refers an apparent vio-*
20 *lation to the Attorney General, the Attorney General shall*
21 *report to the Commission any action taken by the Attorney*
22 *General regarding the apparent violation. Each report shall*
23 *be transmitted within 60 days after the date the Commission*
24 *refers an apparent violation, and every 30 days thereafter*
25 *until the final disposition of the apparent violation.*

1 “(d)(1)(A) Any person who knowingly and willfully
2 commits a violation of any provision of this Act which in-
3 volves the making, receiving, or reporting of any contribution
4 or expenditure aggregating \$2,000 or more during a calendar
5 year shall be fined, or imprisoned for more than one year, or
6 both. The amount of this fine shall not exceed the greater of
7 \$25,000 or 300 percent of any contribution or expenditure
8 involved in such violation.

9 “(B) In the case of a knowing and willful violation of
10 section 316(b)(3), the penalties set forth in this subsection
11 shall apply to a violation involving an amount aggregating
12 \$250 or more during a calendar year. Such violation of sec-
13 tion 316(b)(3) may incorporate a violation of section 317(b),
14 320, or 321.

15 “(C) In the case of a knowing and willful violation of
16 section 322, the penalties set forth in this subsection shall
17 apply without regard to whether the making, receiving, or
18 reporting of a contribution or expenditure of \$1,000 or more
19 is involved.

20 “(2) In any criminal action brought for a violation of
21 any provision of this Act or of chapter 95 or chapter 96 of the
22 Internal Revenue Code of 1954, any defendant may evidence
23 their lack of knowledge or intent to commit the alleged viola-
24 tion by introducing as evidence a conciliation agreement en-
25 tered into between the defendant and the Commission under

1 subsection (a)(4)(A) which specifically deals with the act or
2 failure to act constituting such violation and which is still in
3 effect.

4 “(3) In any criminal action brought for a violation of
5 any provision of this Act or of chapter 95 or chapter 96 of the
6 Internal Revenue Code of 1954, the court before which such
7 action is brought shall take into account, in weighing the
8 seriousness of the violation and in considering the appropri-
9 ateness of the penalty to be imposed if the defendant is found
10 guilty, whether—

11 “(A) the specific act or failure to act which con-
12 stitutes the violation for which the action was brought
13 is the subject of a conciliation agreement entered into
14 between the defendant and the Commission under sub-
15 paragraph (a)(4)(A);

16 “(B) the conciliation agreement is in effect; and

17 “(C) the defendant is, with respect to the viola-
18 tion involved, in compliance with the conciliation
19 agreement.”.

20 ADMINISTRATIVE PROVISIONS

21 SEC. 109. Section 311 of the Act, as so redesignated in
22 section 105(a)(4), is amended to read as follows:

23 “ADMINISTRATIVE PROVISIONS

24 “SEC. 311. (a) The Commission shall—

1 “(1) prescribe forms necessary to implement this
2 Act;

3 “(2) prepare, publish, and furnish to all persons
4 required to file reports and statements under this Act a
5 manual recommending uniform methods of bookkeeping
6 and reporting;

7 “(3) develop a filing, coding, and cross-indexing
8 system consistent with the purposes of this title;

9 “(4) within 48 hours after the time of the receipt
10 by the Commission of reports and statements filed with
11 it, make them available for public inspection, and
12 copying, at the expense of the person requesting such
13 copying, except that any information copied from such
14 reports or statements may not be sold or used by any
15 person for the purpose of soliciting contributions or for
16 commercial purposes, other than using the name and
17 address of any political committee to solicit contribu-
18 tions from such committee, a political committee may
19 submit 10 pseudonyms on each report filed in order to
20 protect against the illegal use of names and addresses
21 of contributors, provided such committee attaches a list
22 of such pseudonyms to the appropriate report. The
23 Clerk, Secretary, or the Commission shall exclude
24 these lists from the public record;

1 “(5) keep such designations, reports, and state-
2 ments for a period of 10 years from the date of receipt
3 except that designations, reports, and statements that
4 relate solely to candidates for the House of Representa-
5 tives shall be kept for 5 years from the date of their
6 receipt;

7 “(6)(A) compile and maintain a cumulative index
8 of designations, reports, and statements filed under this
9 Act, which index shall be published at regular inter-
10 vals and made available for purchase directly or by
11 mail;

12 “(B) compile, maintain, and revise a separate cu-
13 mulative index of reports and statements filed by
14 multi-candidate committees, including in such index a
15 list of multi-candidate committees; and

16 “(C) compile and maintain a list of multi-candi-
17 date committees, which shall be revised and made
18 available monthly;

19 “(7) prepare and publish periodically lists of au-
20 thorized committees which fail to file reports as re-
21 quired by this title;

22 “(8) prescribe rules, regulations, and forms to
23 carry out the provisions of this title, in accordance
24 with the provisions of subsection (e);

1 “(9) transmit to the President and to each House
2 of the Congress no later than June 1 of each year, a
3 report which states in detail the activities of the Com-
4 mission in carrying out its duties under this title, and
5 any recommendations for any legislative or other
6 action the Commission considers appropriate; and

7 “(10) serve as a national clearinghouse for infor-
8 mation with respect to the administration of this Act
9 and the compilation and administration of State cam-
10 paign finance and election disclosure laws. The Com-
11 mission may enter into contracts for the purpose of
12 conducting such independent studies. Studies made
13 under this subsection shall be published by the Com-
14 mission and copies thereof shall be made available to
15 the general public upon the payment of cost thereof.

16 “(c) The Commission may audit any political
17 committee required to file a report under paragraph
18 304(a)(4) and under paragraph 304(a)(3). The Com-
19 mission shall give priority to audits and field investi-
20 gations concerning the verification for, and receipt and
21 use of, any payments received by a candidate under
22 chapter 95 or chapter 96 of the Internal Revenue Code
23 of

24 “(d) Any forms prescribed by the Commission
25 under subsection (a)(1), and any information-gathering

1 *activities of the Commission under this Act, shall not*
2 *be subject to the provisions of section 3512 of title 44,*
3 *United States Code.*

4 “(e)(1) *Before prescribing any rule, regulation, or*
5 *form under this section or any other provision of this*
6 *Act, the Commission shall transmit a statement with*
7 *respect to such rule, regulation, or form to the Senate*
8 *and the House of Representatives, in accordance with*
9 *this subsection. Such statement shall set forth the pro-*
10 *posed rule, regulation, or form, and shall contain a de-*
11 *tailed explanation and justification of it.*

12 “(2) *If either House of the Congress does not disapprove*
13 *by resolution any proposed rule or regulation submitted by*
14 *the Commission under this section no later than 30 days of*
15 *continuous session after the date of the receipt of such pro-*
16 *posed rule or regulation or no later than 15 days of continu-*
17 *ous session after the date of receipt of such proposed form, the*
18 *Commission may prescribe such rule, regulation, or form.*

19 “(3) *For purposes of this subsection—*

20 “(A) *continuity of session of the Congress is*
21 *broken only by an adjournment sine die; and*

22 “(B) *the days on which either Houses are in ses-*
23 *session are counted in the computation of the 30-day*
24 *period and the days on which one House is in session*
25 *are counted unless the other House is not in session*

1 *because of an adjournment of more than 3 days to a*
2 *day certain.*

3 “(4) *For purposes of this subsection, the terms ‘rule’*
4 *and ‘regulation’ mean a provision or series of interrelated*
5 *provisions stating a single, separable rule of law.*

6 “(5) *Whenever a committee of the House of Representa-*
7 *tives reports any resolution relating to any such form, rule or*
8 *regulation, it is at any time thereafter in order (even though*
9 *a previous motion to the same effect has been disagreed to) to*
10 *move to proceed to the consideration of the resolution. The*
11 *motion is highly privileged and is not debatable. An amend-*
12 *ment to the motion is not in order, and is not in order to move*
13 *to reconsider the vote by which the motion is agreed to or*
14 *disagreed with.*

15 “(f) *Notwithstanding any other provision of law, any*
16 *person who relies upon any rule or regulation prescribed by*
17 *the Commission in accordance with the provisions of this sec-*
18 *tion and who acts in good faith in accordance with such rule*
19 *or regulation shall not, as a result of such act, be subject to*
20 *any sanction provided by this chapter or by chapter 95 or*
21 *chapter 96 of the Internal Revenue Code of 1954.”*

22 **STATEMENTS FILED WITH STATE OFFICERS**

23 **SEC. 110.** *Section 312 of the Act, as so redesignated in*
24 *section 105(a)(4), is amended to read as follows:*

1 "STATEMENTS FILED WITH STATE OFFICERS

2 "SEC. 312. (a)(1) *A copy of each report and statement*
3 *required to be filed by any person under this title shall be*
4 *filed by such person with the Secretary of State (or equiva-*
5 *lent State officer) of the appropriate State, or, if different,*
6 *the officer of such State who is charged by State law with*
7 *maintaining State election campaign reports. The chief ex-*
8 *ecutive officer of such State shall designate any such officer*
9 *and notify the Commission of any such designation.*

10 "(2) *For purposes of this subsection, the term 'appropri-*
11 *ate State' means—*

12 "(A) *for statements and reports in connection*
13 *with the campaign for nomination for election of a can-*
14 *didate to the office of President or Vice President, each*
15 *State in which an expenditure is made on behalf of the*
16 *candidate; and*

17 "(B) *for statements and reports in connection*
18 *with the campaign for nomination for election, or elec-*
19 *tion, of a candidate to the office of Senator or Repre-*
20 *sentative in, or Delegate or Resident Commissioner to,*
21 *the Congress, the State in which the candidate seeks*
22 *election; except that political committees other than au-*
23 *thorized committees are only required to file, and Sec-*
24 *retaries of State required to keep, that portion of the*

1 *report applicable to candidates seeking election in that*
2 *State.*

3 “(b) *The Secretary of State (or equivalent State offi-*
4 *cer), or the officer designated under subsection (a)(1), shall—*

5 “(1) *receive and maintain in an orderly manner*
6 *all reports and statements required by this Act to be*
7 *filed therewith;*

8 “(2) *keep such reports and statements (either in*
9 *original filed form or in facsimile copy by microfilm or*
10 *otherwise)—*

11 “(A) *for 2 years after their date of receipt,*
12 *for reports and statements for candidates for the*
13 *President or Vice President, the Senate, or the*
14 *House of Representatives; and*

15 “(B) *through April 30 of the calendar year*
16 *following the calendar year in which any report*
17 *was filed by a political committee other than an*
18 *authorized committee.*

19 “(3) *make each report and statement filed there-*
20 *with available as soon as practicable (but within 48*
21 *hours of receipt) for public inspection and copying*
22 *during regular business hours, and permit copying of*
23 *any such report or statement by hand or by duplicating*
24 *machine at the request of any person, except that such*

1 *copying shall be at the expense of the person making*
 2 *the request; and*

3 *“(4) compile and maintain a current list of all re-*
 4 *ports and statements pertaining to each candidate.”.*

5 *ACCEPTANCE OF EXCESSIVE HONORARIUMS*

6 *SEC. 111. Section 324 of the Act, as so redesignated in*
 7 *section 105(a)(4), is amended to read as follows:*

8 *PUBLICATION AND DISTRIBUTION OF STATEMENTS AND*
 9 *SOLICITATIONS*

10 *SEC. 115. Section 318 of the Act, as so redesignated in*
 11 *section 105(a)(5), is amended to read as follows:*

12 *“(a) Whenever any person makes an expenditure for the*
 13 *purpose of financing communications expressly advocating*
 14 *the election or defeat of a clearly identified candidate, or so-*
 15 *licits any contribution through any broadcasting station*
 16 *newspaper, magazine, outdoor advertising facility, direc-*
 17 *mailing, or any other type of general public political adver-*
 18 *tising, such communication—*

19 *“(1) if paid for and authorized by a candidate, or*
 20 *authorized political committee of a candidate, or its*
 21 *agents, shall clearly state that the communication has*
 22 *been paid for by such authorized political committee, or*

23 *“(2) if paid for by other persons but authorized*
 24 *by a candidate, an authorized political committee of a*
 25 *candidate, or its agents, shall clearly state that the*

1 (c) Section 310(a) of the Act, as so redesignated in sec-
2 tion 105(a)(4), is amended by striking out “of the United
3 States” the first place it appears therein.

4 (d) The first sentence of section 316(b)(4)(B) of the Act,
5 as so redesignated in section 105(a)(5), is amended by strik-
6 ing out “it” and inserting in lieu thereof “It”.

7 (e)(1) Section 403(a) of the Domestic Volunteer Service
8 Act of 1973 is amended—

9 (A) by striking out “section 301(a)” and insert-
10 ing in lieu thereof “section 301(1)”; and

11 (B) by striking out “section 301(c)” and insert-
12 ing in lieu thereof “section 301(3)”.

13 (2) Section 6 of the Department of State Appropriations
14 Authorization Act of 1973 is amended by striking out “sec-
15 tion 301(e)” and inserting in lieu thereof “section 301(8)”.

16 TITLE II—AMENDMENTS TO OTHER LAWS

17 MISCELLANEOUS AMENDMENTS TO TITLE 18, UNITED

18 STATES CODE

19 SEC. 202. (a)(1) Chapter 29 of title 18, United States
20 Code, is amended by striking out section 591.

21 (2) The table of sections for chapter 26 of title 18,
22 United States Code, is amended by striking out the item re-
23 lating to section 591.

24 (3) Section 602 of such title is amended to read as
25 follows:

1 “*SOLICITATION OF POLITICAL CONTRIBUTIONS*”2 “*SEC. 602. It shall be unlawful for—*3 “(1) *a candidate for the Congress;*4 “(2) *an individual elected to or serving in the*
5 *office of Senator or Representative in, or Delegate or*
6 *Resident Commissioner to, the Congress;*7 “(3) *an officer or employee of the United States*
8 *or any department or agency thereof; or*9 “(4) *a person receiving any salary or compensa-*
10 *tion for services from money derived from the Treasury*
11 *of the United States to solicit, any contribution within*
12 *the meaning of section 301(8) of the Federal Election*
13 *Campaign Act of 1971 from any other such officer,*
14 *employer, or person. Any person who violates this sec-*
15 *tion shall be fined not more than \$5,000 or imprisoned*
16 *not more than three years, or both.”.*17 (4) *Section 603 of such title is amended to read as*
18 *follows:*19 “*MAKING POLITICAL CONTRIBUTIONS*”20 “*SEC. 603. It shall be unlawful for any officer, clerk,*
21 *or other person in the employ of the United States or any*
22 *department or agency thereof to make a contribution within*
23 *the meaning of section 301(8) to any other such officer, clerk,*
24 *or person or to any Senator or Representative in, or Delegate*
25 *or Resident Commissioner to, the Congress, unless such con-*

1 *tribution is voluntary: Provided, however, That no contribu-*
2 *tion, voluntary or otherwise, may be made by any such offi-*
3 *cer, clerk, or person to any Senator or Representative in, or*
4 *Delegate or Resident Commissioner to, the Congress, or their*
5 *authorized committee within the meaning of section 302(e)(1)*
6 *of the Federal Election Campaign Act of 1971, if that person*
7 *authorizing such committee is the employer or employing au-*
8 *thority of the person making such contribution. Any person*
9 *who violates this section shall be fined not more than \$5,000*
10 *or imprisoned not more than three years, or both.”.*

11 (5) *Section 607 of such title is amended to read as*
12 *follows:*

13 “PLACE OF SOLICITATION

14 “SEC. 607. (a) *It shall be unlawful for—*

15 “(1) *a candidate for the Congress;*

16 “(2) *an individual elected to or serving in the*
17 *office of Senator or Representative in, or Delegate or*
18 *Resident Commissioner to, the Congress;*

19 “(3) *an officer or employee of the United States*
20 *or any department or agency thereof; or*

21 “(4) *a person receiving any salary or compensa-*
22 *tion for services from money derived from the Treasury*
23 *of the United States*

24 *to solicit or receive any contribution within the meaning of*
25 *section 301(8) of the Federal Election Campaign Act of*

1 1971 in any room or building occupied in the discharge of
2 official duties by any such person, or in any navy yard, fort,
3 or arsenal. Any person who violates this section shall be
4 fined not more than \$5,000 or imprisoned not more than
5 three years, or both.

6 “(b) The prohibition in subsection (a) shall not apply to
7 any contributions received by mail in any room, building, or
8 other facility referred to in subsection (a) provided such con-
9 tribution was not solicited in any such room, building, or
10 other facility and provided such contribution is delivered,
11 within seven days of receipt, to a political committee within
12 the meaning of section 301(4) of the Federal Election Cam-
13 paign Act of 1971.”

14 MISCELLANEOUS AMENDMENT TO TITLE 26, UNITED
15 STATES CODE

16 SEC. 302. Section 9008(b) of title 26 is amended by
17 striking at the end thereof the figure “\$2,000,000” and in-
18 serting in lieu thereof “\$3,000,000”.

19 TITLE III—GENERAL PROVISIONS

20 EFFECTIVE DATES

21 SEC. 301. (a) Except as provided in subsection (b), the
22 amendments made by this Act are effective upon enactment.

23 (b) For authorized committees of candidates for Presi-
24 dent and Vice President, section 304(b) shall be effective for
25 elections occurring after January 1, 1981.

Union Calendar No. 240

96TH CONGRESS
1ST Session

H. R. 5010

[Report No. 96-422]

A BILL

To amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such Act, and for other purposes.

TEXT 30, 1979

Referred to the Committee on House Administration

SEPTEMBER 7, 1979

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

HOUSE FLOOR
DEBATE
ON
H.R. 5010

SEPTEMBER 10, 1979

or thermally pollute the watershed in the event of a blow-out. Either eliminating the fish-food source or directly poisoning these raptors through the food chain will adversely affect these endangered species. These adverse effects may also apply to the trumpeter swan, a sensitive resident of the IPGA. A discussion of these threats should be included in the statement.

The statement should specifically describe probable impacts, and mitigation to reduce adverse impacts, to areas having special scenic, recreation, and cultural value. Examples are Big Springs, a potential National Landmark, and high-quality fishing streams and lakes. Impacts and mitigation measures relative to YNP should be described in more detail.

We note that the DES emphasizes salvage as a mitigation measure to reduce adverse impacts on historic and archeological resources. Avoidance or protection of archeological resources is far preferable to salvage, and often less costly and time-consuming. Salvage as a form of mitigation should only be carried out when it has been demonstrated that there are no alternatives to damaging the resources. We suggest this point be clarified.

The statement should include a more complete discussion of future plans for identification, evaluation, and protection of properties in the area that may be eligible for inclusion in the National Register, under 36 CFR 800, as amended (Federal Register, January 30, 1979). There should be further consultation with the State Historic Preservation Officer, under 36 CFR 800.4, to specify the types of surveys to be done and the survey methods to be employed. It would be useful for the Forest Service to have regional predictive surveys conducted prior to leasing, in order to identify the potential for archeological resources and further aid in decisions on land suitability for leasing purposes.

We suggest that the Evaluation Criteria, Section III, be revised in order to clarify agency roles (shown on page 3) and sequential decision points. This could also serve to highlight future NEPA review points after leasing. The Department of the Interior views the environmental statement, not as an all-inclusive decision document, but as one of possibly several management reports available to the decisionmaker. In addition to environmental considerations, the decisionmaker may also be guided by policy, legal, economic, and political goals. However, we do not attempt to evaluate these in the environmental statement. We are highly cognizant of national and local energy needs, but any leasing activities will be predicated on a thorough technical evaluation as to possible risks to the YNP geothermal system. These two policy factors will weigh most heavily in our leasing decision.

In view of the uncertainties and risk to the geothermal system at YNP, this Department will take an extremely cautious approach on any activities toward geothermal development in the IPGA. We have reviewed the stipulations and mitigation proposed and have several additional measures to be included. These, and a possible monitoring program, are provided (Attachment A) for inclusion in the FES. These would be applicable to research or test drilling as well as exploration and development. We obviously will not authorize any geothermal exploration or development in this area without adequate safeguards and evidence that the activities will not jeopardize the geothermal regime at YNP.

It might be helpful to reviewers if the FES for the Geothermal Leasing Program (Department of the Interior, 1973) was referenced as a source of background information as to regulations, procedures, developments, and cumulative impacts. The recent DES for the Navy Coso Geothermal Development

Program (U.S. Navy, 1979) provides an excellent summary of geothermal development methods, impacts, and possible problems.

We would like to work closely with your staff to ensure that the final statement meets our needs for future decisions as to geothermal leasing in this area. We believe that a field meeting would be helpful in this regard and suggest June 14 and 15 as possible dates. Please confirm this with Tom Loomis ([202] 343-2118) of my staff, and he will arrange for appropriate Bureau representation.

Sincerely,

LARRY E. MEIEROTTS,
Assistant Secretary. ●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nevada (Mr. SANTINI) that the House suspend the rules and pass the bill, H.R. 740.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SANTINI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE TUESDAY, SEPTEMBER 11; WEDNESDAY, SEPTEMBER 12; AND THURSDAY, SEPTEMBER 13

Mr. GUDGER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary and any of its subcommittees may have permission to sit while the House is reading for amendment under the 5-minute rule on Tuesday, September 11; Wednesday, September 12; and Thursday, September 13.

This unanimous-consent request is made subject to the understanding that the Monopolies and Commercial Law Subcommittee will not sit on Wednesday, September 12.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman tell us what legislation specifically is planned to be considered in the full committee or the subcommittees?

Mr. GUDGER. Mr. Speaker, I have the agenda of the full committee and each of the subcommittees before me.

The full committee is scheduled to meet on Thursday, September 13, at 10 a.m. to take up H.R. 2816, the Refugee Reform Act; H.R. 4686, an act to save the Milwaukee road's freight-carrying capacity; H.R. 3959, U.S. Attorney Residency Requirements; H.R. 3909, To amend the Contract Disputes Act; H.R. 600, to grant a Federal charter to the United Services Organization; and private bills from the Subcommittee on Ad-

ministrative Law and Governmental Relations at that point; and then H.R. 4395, to require the public disclosure of lobbying and related activities.

Mr. BAUMAN. Further reserving the right to object, if the gentleman from North Carolina would exclude from his unanimous-consent request the last bill, I would certainly not object.

Mr. GUDGER. Mr. Speaker, I will amend the unanimous-consent request to delete from consideration by the full committee at its scheduled meeting of September 13, 1979, H.R. 4395, to require the public disclosure of lobbying and related activities.

Mr. BAUMAN. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1979

Mr. THOMPSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5010) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1979".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

DEFINITIONS

SEC. 101. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), hereinafter in this Act referred to as the "Act", is amended to read as follows:

"DEFINITIONS

"Sec. 301. When used in this Act:

"(1) The term 'election' means—

"(A) a general, special, primary, or runoff election;

"(B) a convention or caucus of a political party which has authority to nominate a candidate;

"(C) a primary election held for the selection of delegates to a national nominating convention of a political party; and

"(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—

"(A) if such individual has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000; or

"(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of \$5,000 or has made such expenditures aggregating in excess of \$5,000.

"(3) The term 'Federal office' means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

"(4) The term 'political committee' means—

"(A) any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year; or

"(B) any separate segregated fund established under the provisions of section 316; or

"(C) any local committee of a political party which receives contributions aggregating in excess of \$5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301 (8) and (9) aggregating in excess of \$5,000 during a calendar year, or makes contributions aggregating in excess of \$1,000 during a calendar year or makes expenditures aggregating in excess of \$1,000 during a calendar year.

"(5) The term 'principal campaign committee' means a political committee designated and authorized by a candidate under section 302(e) (1).

"(6) The term 'authorized committee' means the principal campaign committee or any other political committee authorized by a candidate under section 302(e) (1) to receive contributions or make expenditures on behalf of such candidate.

"(7) The term 'connected organization' means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee.

"(8) (A) The term 'contribution' includes—

"(i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

"(ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

"(B) The term 'contribution' does not include—

"(i) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee;

"(ii) the use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an individual to any candidate or any political committee of a political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of such invitations, food, and beverages provided by such individual on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(iii) the sale of any food or beverage by a vendor for use in any candidate's campaign or for use by or on behalf of any political committee of a political party at a charge less than the normal comparable charge, if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activity by such vendor on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(iv) any unreimbursed payment for travel expenses made by any individual on behalf of any candidate or any political committee of a political party, to the extent that the cumulative value of such activity by such individual on behalf of any single candidate

does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(v) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to any cost incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(vi) any payment made or obligation incurred by a corporation or a labor organization which, under section 317(b), would not constitute an expenditure by such corporation or labor organization;

"(vii) any loan of money by a State bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, other than any overdraft made with respect to a checking or savings account, made in accordance with applicable law and in the ordinary course of business, but such loan—

"(I) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors;

"(II) shall be made on a basis which assures repayment, evidenced by a written instrument, and subject to a due date or amortization schedule; and

"(III) shall bear the usual and customary interest rate of the lending institution;

"(viii) any gift, subscription, loan, advance, or deposit of money or anything of value to a national or a State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office;

"(ix) any legal or accounting services rendered to or on behalf of—

"(I) any political committee of a political party if the person paying for such services is the regular employer of the person rendering such services and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) an authorized committee of a candidate or any other political committee, if the person paying for such services is the regular employer of the individual rendering such services and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(x) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party; *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(4) the payment by a candidate, for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising); *Provided*, That such payments are made from contributions subject to the limitations and prohibitions of this Act.

"(5) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President; *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates;

"(4) payments made by a candidate or the authorized committee of a candidate as a condition of ballot access and payments received by any political party committee as a condition of ballot access; and

"(5) any honorarium (within the meaning of section 441 of this title).

"(9) (A) The term 'expenditure' includes—

"(i) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any reason for the purpose of influencing any election for Federal office; and

"(ii) a written contract, promise, or agreement to make an expenditure.

"(B) The term 'expenditure' does not include—

"(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(ii) nonpartisan activity designed to encourage individuals to vote or to register to vote;

"(iii) any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if such costs exceed \$2,000 for any election, be reported to the Commission in accordance with section 304(a) (4) (A) (i), and in accordance with section 304(a) (4) (A) (ii) with respect to any general election;

"(iv) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(v) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vi) any costs incurred by an authorized committee or candidate in connection with the solicitation of contributions on behalf of such candidate, except that this clause shall not apply with respect to costs incurred by an authorized committee of a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b), but all such costs shall be reported in accordance with section 304(b);

"(vii) the payment of compensation for legal or accounting services—

"(1) rendered to or on behalf of any political committee of a political party if the person paying for such services is the regular employer of the individual rendering such services, and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) rendered to or on behalf of a candidate or political committee if the person paying for such services is the regular employer of the individual rendering such services, and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(viii) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: Provided, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee primarily on behalf of nominees of such party for President and Vice President: Provided, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and

"(x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or the appropriate State official.

"(10) The term 'Commission' means the Federal Election Commission.

"(11) The term 'person' includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.

"(12) The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(13) The term 'identification' means—

"(A) in the case of any individual, the name, the mailing address, and the occupation of such individual as well as the name of his or her employer; and

"(B) in the case of any other person, the full name and address of such person.

"(14) The term 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

"(15) The term 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.

"(16) The term 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(18) The term 'clearly identified' means that—

"(A) the name of the candidate involved appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.

"(19) The term 'Act' means the Federal Election Campaign Act of 1971 as amended by the Federal Election Campaign Act Amendments of 1974, the Federal Election Campaign Act Amendments of 1976, and the Federal Election Campaign Act Amendments of 1979."

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 102. Section 302 of the Act (2 U.S.C. 432) is amended to read as follows:

"ORGANIZATION OF POLITICAL COMMITTEES

"SEC. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

"(b) Every person who receives a contribution for a political committee, shall, no later than 10 days after receiving the contribution, forward to the treasurer the contribution, the name and address of the

person making the contribution (if the amount of the contribution is in excess of \$50), and the date of receipt of the contribution. All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

"(c) The treasurer of a political committee shall keep on account of—

"(1) all contributions received by or on behalf of such political committee;

"(2) the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person;

"(3) the identification of any person who makes a contribution or contributions aggregating more than \$100 during a calendar year, together with the date and amount of any such contribution;

"(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution;

"(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of \$100.

"(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed.

"(e) (1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with paragraph (f) (1).

"(2) Any candidate described in paragraph (1) who receives a contribution or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this title, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

"(3) (A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(1) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee; and

"(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

"(B) As used in this section, the term 'support' does not include a contribution by any authorized committee in amounts of \$1,000 or less to an authorized committee of any other candidate.

"(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

"(5) The name of any separate segregated fund established pursuant to section 316(b)

shall include the name of its connected organization.

"(f)(1) Notwithstanding any other provision of this title, each designation, statement, or report of receipts or disbursements made by an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

"(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under paragraph (1) and shall compile and file such designations, statements, and reports in accordance with this title.

"(g)(1) Designations, statements, and reports required to be filed under this title by a candidate or by an authorized committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and by the principal campaign committee of such a candidate, shall be filed with the Clerk of the House of Representatives, who shall receive such designations, statements, and reports as custodian for the Commission.

"(2) Designations, statements, and reports required to be filed under this title by a candidate for the office of Senator, and by the principal campaign committee of such candidate, shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

"(3) The Clerk of the House of Representatives and the Secretary of the Senate shall forward a copy of any designation, statement, or report filed with them under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

"(4) All designations, statements, and reports required to be filed under this title, except designations, statements, and reports filed in accordance with paragraphs (1) and (2), shall be filed with the Commission.

"(5) The Clerk of the House of Representatives and the Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311(a)(5).

"(h)(1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

"(2) A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c)(5)."

"(1) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance

with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"REGISTRATION OF POLITICAL COMMITTEES, STATEMENTS

"SEC. 103. Section 303 of the Act (2 U.S.C. 433) is amended to read as follows:

"SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e)(1). Each separate segregated fund established under the provisions of section 316 shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

"(b) The statement of organization of a political committee shall include—

"(1) the name, address, and type of committee;

"(2) the name, address, relationship, and type of any connected organization or affiliated committee;

"(3) the name, address, and position of the custodian of books and accounts of the committee;

"(4) the name and address of the treasurer of the committee;

"(5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; and

"(6) a listing of all banks, safety deposit boxes, or other depositories used by the committee.

"(c) Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.

"(d)(1) A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.

"(2) Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—

"(A) the determination of insolvency with respect to any political committee;

"(B) the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and

"(C) the termination of an insolvent political committee after such liquidation and application of assets."

REPORTS

SEC. 104. Section 304 of the Act (2 U.S.C. 434) is amended to read as follows:

"REPORTS

"SEC. 304. (a)(1) Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection. The treasurer shall sign each such report.

"(2) If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate—

"(A) in any calendar year during which there is regularly scheduled election for which such candidate is seeking election, or nomination for election, the treasurer shall file the following reports:

"(i) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election;

"(ii) a post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be com-

plete as of the 20th day after such general election; and

"(ii) additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter; except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year; and

"(B) in any other calendar year the following reports shall be filed:

"(i) a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31; and

"(ii) a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.

"(3) If the committee is the principal campaign committee of a candidate for the office of President—

"(A) in any calendar year during which a general election is held to fill such office—

"(i) the treasurer shall file monthly reports if such committee has on January 1 of such year, received contributions aggregating \$100,000 or made expenditures aggregating \$100,000 or anticipates receiving contributions aggregating \$100,000 or more or making expenditures aggregating \$100,000 or more during such year; such monthly reports shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month, except that, in lieu of filing the report otherwise due in November and December, a pre-general election report shall be filed in accordance with paragraph (2)(A)(i), a post-general election report shall be filed in accordance with paragraph (2)(A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year;

"(ii) the treasurer of the other principal campaign committees of a candidate for the office of President shall file a pre-election report or reports in accordance with paragraph (2)(A)(i), a post-general election report in accordance with paragraph (2)(A)(ii), and quarterly reports in accordance with paragraph (2)(A)(iii); and

"(iii) if at any time during the election year a committee filing under paragraph (3)(A)(ii) receives contributions in excess of \$100,000 or makes expenditures in excess of \$100,000, the treasurer shall begin filing monthly reports under paragraph (3)(A)(i) at the next pending period.

"(F) in any other calendar year, the treasurer shall file either—

"(1) monthly reports, which shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month; or

"(1) quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter and which shall be complete as of the last day of each calendar quarter.

"(4) All political committees other than authorized committees of a candidate shall either—

"(F)(1) file quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter; except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year.

"(i) a pre-election report, which shall be filed later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election;

"(ii) a post-general election report, which

shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and

"(iv) in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year; or

"(B) file monthly reports in all calendar years which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with paragraph (2) (A) (i), a post-general election report shall be filed in accordance with paragraph (2) (A) (ii), and a yearend report shall be filed no later than January 31 of the following calendar year.

"(5) If designation, report, or statement filed pursuant to this title (other than under paragraph (2) (A) (i) or (4) (A) (ii)) is sent by registered or certified mail, the United States postmark shall be considered the date of filing of the designation, report, or statement.

"(6) (A) The principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of \$1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

"(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this title.

"(7) The reports to be filed by this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

"(8) The requirement for a political committee to file a quarterly report under paragraph (2) (A) (iii) or paragraph (4) (A) (i) shall be waived if such committee is required to file a pre-election report under paragraph (2) (A) (i), or paragraph (4) (A) (ii) during the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

"(9) The Commission shall set filing dates for reports to be filed by principal campaign committees of candidates seeking election, or nomination for election, in special elections and political committees filing under paragraph (4) (A) which make contributions to or expenditures on behalf of a candidate or candidates in special elections. The Commission shall require no more than one pre-election report for each election and one post-election report for the election which fills the vacancy. The Commission may waive any reporting obligation of committees required to file for special elections if any report required by subsection (2) or (4) is required to be filed within 10 days of a report required under this subsection. The Commission shall establish the reporting dates within 5 days of the setting of such election and shall publish such dates and notify the principal campaign committees of all candidates in such election of the reporting dates.

"(10) The treasurer of a committee supporting a candidate for the office of Vice President (other than the nominee of a

political party shall file reports in accordance with subsection (3)).

"(b) Each report under this section shall disclose—

"(1) the amount of cash on hand at the beginning of the reporting period;

"(2) for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the following categories:

"(A) contributions from persons other than political committees;

"(B) for an authorized committee, contributions from the candidate;

"(C) contributions from political party committees;

"(D) contributions from other political committees;

"(E) for an authorized committee, transfers from other authorized committees of the same candidate;

"(F) transfers from affiliated committees and, where the reporting committee is a political party committee, transfers from other political party committees, regardless of whether such committees are affiliated;

"(G) for an authorized committee, loans made by or guaranteed by the candidate;

"(H) all other loans;

"(I) rebates, refunds, and other offsets to operating expenditures;

"(J) dividends, interest, and other forms of receipts; and

"(K) for an authorized committee of a candidate for the office of President, Federal funds received under chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

"(3) the identification of each—

"(A) person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$100 within the calendar year, together with the date of receipt and amount of any such contribution;

"(B) political committee which makes a contribution to the reporting committee during the reporting period, together with the date of receipt and amount of any such contribution;

"(C) authorized committee which makes a transfer to the reporting committee;

"(D) affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee from another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer;

"(E) person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount or value of such loan;

"(F) person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of \$100 within the calendar year, together with the date of receipt and amount of such receipt;

"(G) person who provides any dividend, interest, or other receipt to the reporting committee in an aggregate value or amount in excess of \$100 within the calendar year, together with the date of receipt and amount of any such receipt;

"(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

"(A) expenditures made to meet candidate or committee operating expenses;

"(B) for authorized committees, transfers to other committees authorized by the same candidate;

"(C) transfers to affiliated committees and, where the reporting committee is a political party committee, transfers to other

political party committees, regardless of whether they are affiliated;

"(D) for an authorized committee, repayment of loans made by or guaranteed by the candidate;

"(E) repayment of all other loans;

"(F) contribution refunds and other offsets to contributions;

"(G) for an authorized committee, any other disbursements;

"(H) for any political committee other than an authorized committee—

"(i) contributions made to other political committees;

"(ii) loans made by the reporting committees;

"(iii) independent expenditures;

"(iv) expenditures made under section 315(d) of the Act;

"(v) any other disbursements;

"(I) for an authorized committee of a candidate for the office of President, disbursements not subject to the limitation of 315(b);

"(5) the name and address of each—

"(A) person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure;

"(B) authorized committee to which a transfer is made by the reporting committee;

"(C) affiliated committee to which a transfer is made by the reporting committee during the reporting period, and, where the reporting committee is a political party committee, each transfer of funds by the reporting committee to another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfers;

"(D) person who receives a loan repayment from the reporting committee during the reporting period, together with the date and amount of such loan repayment;

"(E) person who receives a contribution refund or other offset to contributions from the reporting committee where such contribution was reported under paragraph 3(A) of this clause, together with the date and amount of such disbursement;

"(6) (A) for an authorized committee, the name and address of each person who has received any disbursement not disclosed under paragraph (5) which in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such disbursement;

"(B) for any other political committee, the name and address of each—

"(i) political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(ii) person who has received a loan from the reporting committee during the reporting period, together with the date and amount of such loan;

"(iii) person who receives any disbursement during the reporting period which in an aggregate amount or value in excess of \$200 within the calendar year in connection with an independent expenditure by the reporting committee, together with the date, amount, and purpose of any such independent expenditure and a statement which indicates whether such independent expenditure is in support of, or in opposition to, a candidate, as well as the name and office sought by such candidate, and a certification, under penalty of perjury, whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such committee;

"(iv) person who receives any expenditure

from the reporting committee during the reporting period in connection with an expenditure under section 315(d) in the Act, together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made;

"(v) person who has received any disbursement not otherwise disclosed in this paragraph or paragraph (5) in an aggregate amount or value in excess of \$200 within the calendar year from the reporting committee within the reporting period, together with the date, amount, and purpose of any such disbursement;

"(7) the total sum of all contributions to such political committee, together with the total contributions less offsets to contributions and the total sum of all operating expenditures made by such political committee, together with total operating expenditures less offsets to operating expenditures, for both the reporting period and the calendar year.

"(8) the amount and nature of outstanding debts and obligations owed by or to such political committee, together with a statement as to the circumstances and conditions under which any debts or obligations owed by or to such committee were extinguished and the consideration thereof.

"(c) (1) Every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$100 during a calendar year shall file a statement containing the information required under subsection (b) (3) (A) for all contributions received by such person.

"(2) Statements required to be filed by this subsection shall be filed in accordance with subsection (a) (2), and shall include—

"(A) the information required by subsection (b) (6) (B) (iii), indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved;

"(B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

"(C) the identification of each person who made a contribution in excess of \$100 to the person filing such statement which was made for the purpose of furthering an independent expenditure.

Any independent expenditure (including those described in subsection (b) (6) (B) (iii)) aggregating \$1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made. Such statement shall be filed with the Clerk, the Secretary, or the Commission and the Secretary of State and shall contain the information required by subsection (b) (6) (B) (iii) indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved.

"(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all independent expenditures separately, including those reported under subsection (b) (6) (B) (iii), made by or for each candidate, as reported under this subsection, and for periodically publishing such indices on a timely pre-election basis."

FEDERAL ELECTION COMMISSION

Sec. 105. Title III of the Act (2 U.S.C. 431 et seq.) is amended—

(1) by striking out sections 305, 306, 308, 311, 318, and 329;

(2) by redesignating section 307 as section 305;

(3) by redesignating sections 309 and 310 as sections 306 and 307, respectively;

(4) by redesignating sections 312 through 317 as sections 308 through 313, respectively;

(5) by redesignating sections 319 through

328 as sections 314 through 323, respectively; and

(6) section 306 as so redesignated section 105(a) (3), is amended to read as follows:

"FEDERAL ELECTION COMMISSION

"Sec. 306. (a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

"(2) (A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) A member of the Commission may serve on the Commission after the expiration of his term until his successor has taken office as a member of the Commission.

"(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

"(3) Members shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Federal Government. Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time of their appointment to the Commission shall terminate or liquidate such activity no later than 90 days after such appointment.

"(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. A member may serve as chairman only once during any term of office to which such member is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

"(b) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this chapter shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

"(c) All decisions of the Commission with

respect to the exercise of its duties and powers under the provisions of this subchapter shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this subchapter, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to take any action in accordance with paragraph (6), (7), (8), or (9) of section 107(a) of this title or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(c) The Commission shall meet at least once each month and also at the call of any member.

"(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

"(f) (1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable without regard to the provisions of title 5 governing appointments in the competitive service.

"(f) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"(g) In carrying out its responsibilities under this chapter, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request."

POWERS OF THE COMMISSION

Sec. 106. Section 307, as so redesignated in section 105(a) (3), is amended to read as follows:

"POWERS OF THE COMMISSION

"Sec. 307. (a) The Commission has the power—

"(1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission may prescribe;

"(2) to administer oaths or affirmations;

"(3) to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 309(a) (8) of

this title) or appeal any civil action in the name of the Commission to enforce the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

"(7) to render advisory opinions under section 308 of this title;

"(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, as are necessary to carry out the provisions of this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

"(9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a), issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d)(1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(e) Except as provided in section 309(a)(8) of this title, the power of the Commission to initiate civil actions under subsection (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this chapter."

ADVISORY OPINIONS

SEC. 107. (a) Section 308 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ADVISORY OPINIONS

"SEC. 308. (a)(1) Not later than 60 days after the Commission receives from a person a complete written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a rule or regulation prescribed by the Commission, with respect to a specific transaction or activity by the person, the Commission shall render a written advisory opinion relating to such transaction or activity to the person.

"(2) If an advisory opinion is requested by a candidate, or any authorized committee of such candidate, during the 60-day period before any election for Federal office involving the requesting party, the Commission shall render a written advisory opinion relating to such request no later than 20 days after the Commission receives a complete written request.

"(b) Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only

as a rule or regulation pursuant to procedures established in section 311(f). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

"(c)(1) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by—

"(A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and

"(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered."

"(2) Notwithstanding any other provisions of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (1) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of title 26.

"(d) The Commission shall make public any request made under subsection (a) for an advisory opinion. Before rendering an advisory opinion, the Commission shall accept written comments submitted by any interested party within the 10-day period following the date the request is made public."

ENFORCEMENT

SEC. 108. Section 309 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ENFORCEMENT

"SEC. 309. (a)(1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18. Within 5 days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such a violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within 15 days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

"(2) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of 4 of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis for such alleged violation. The Commission shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.

"(3) The general counsel of the Commission shall notify the respondent of any recommendation to the Commission by the general counsel to proceed to a vote on probable cause pursuant to paragraph (4)(A)(1). With such notification, the general counsel shall include a brief stating the position of the

general counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, respondent may submit a brief stating the position of a respondent on the legal and factual issues of the case, and replying to the brief of general counsel. Such briefs shall be filed with the Secretary of the Commission and shall be considered by the Commission before proceeding under paragraph (4).

"(4)(A)(i) Except as provided in clause (ii), if the Commission determines, by an affirmative vote of 4 of its members, that there is probable cause to believe that any person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall attempt, for a period of at least 30 days, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any person involved. Such attempt by the Commission to correct or prevent such violation may continue for a period of not more than 90 days. The Commission may not enter into a conciliation agreement under this clause except pursuant to an affirmative vote of 4 of its members. A conciliation agreement, unless violated, is a complete bar to any further action by the Commission, including the bringing of a civil proceeding under subparagraph 6(A).

"(ii) If any determination of the Commission under clause (i) occurs during the 45-day period immediately preceding any election, then the Commission shall attempt, for a period of at least 15 days, to correct or prevent the violation involved by the methods specified in clause (i).

"(B)(i) No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission under subparagraph (A) may be made public by the Commission without the written consent of the respondent and Commission.

"(ii) If a conciliation agreement is agreed upon by the Commission and the respondent, the Commission shall make public any conciliation agreement signed by both the Commission and the respondent. If the Commission makes a determination that a person has not violated this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make public such determination.

"(5)(A) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may require that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(C) If the Commission by an affirmative vote of 4 of its members, determines that there is probable cause to believe that a knowing and willful violation of this Act which is subject to subsection (d), or a knowing and willful violation of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States with-

out regard to any limitations set forth in paragraph (4) (A).

"(D) In any case in which a person has entered into a conciliation agreement with the Commission under paragraph (4) (A), the Commission may institute a civil action for relief under paragraph (6) (A) if it believes that the person has violated any provision of such conciliation agreement. For the Commission to obtain relief in any civil action, the Commission need only establish that the person has violated, in whole or in part, any requirement of such conciliation agreement.

"(6) (A) If the Commission is unable to correct or prevent any violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, by the methods specified in paragraph (4) (A), the Commission may, upon an affirmative vote of 4 of its members, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order (including an order for a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

"(B) In any civil action instituted by the Commission under subparagraph (A), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(C) In any civil action for relief instituted by the Commission under subparagraph (A), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(7) In any action brought under paragraph (5) or (6), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

"(8) (A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.

"(B) Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.

"(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

"(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as

provided in section 1254 of title 28, United States Code.

"(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 437h of this title).

"(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

"(12) (A) Any complaint filed under this section, or any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person who is the subject of such complaint, the person receiving such notification or the person under investigation.

"(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than \$2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than \$5,000.

"(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a)(2)(A)(iii) for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a)(2)(A)(i), the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a)(7), publish before the election the name of the person and the report or reports such person has failed to file.

"(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

"(d) (1) (A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution or expenditure aggregating \$2,000 or more during a calendar year shall be fined, or imprisoned for more than one year, or both. The amount of this fine shall not exceed the greater of \$25,000 or 300 percent of any contribution or expenditure involved in such violation.

"(B) In the case of a knowing and willful violation of section 316(b)(3), the penalties set forth in this subsection shall apply to a violation involving an amount aggregating \$250 or more during a calendar year. Such violation of section 316(b)(3) may incorporate a violation of section 317(b), 320, or 321.

"(C) In the case of a knowing and willful violation of section 322, the penalties set forth in this subsection shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

"(2) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, any defendant may evidence their lack of knowledge or intent to commit the alleged violation by introducing as evidence a conciliation agreement entered into between the defendant and the Commission under subsection (a) (4) (A) which

specifically deals with the act or failure to act constituting such violation and which is still in effect.

"(3) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the violation and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

"(A) the specific act or failure to act which constitutes the violation for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under subparagraph (a) (4) (A);

"(B) the conciliation agreement is in effect; and

"(C) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement."

ADMINISTRATIVE PROVISIONS

SEC. 109. Section 311 of the Act as so redesignated in section 105(a)(4), is amended to read as follows:

"ADMINISTRATIVE PROVISIONS

SEC. 311. (a) The Commission shall—

"(1) prescribe forms necessary to implement this Act;

"(2) prepare, publish, and furnish to all persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting;

"(3) develop a filing, coding, and cross-indexing system consistent with the purposes of this title;

"(4) within 48 hours after the time of the receipt by the Commission of reports and statements filed with it, make them available for public inspection, and copying, at the expense of the person requesting such copying, except that any information copied from such reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee, a political committee may submit 10 pseudonyms on each report filed in order to protect against the illegal use of names and addresses of contributors, provided such committee attaches a list of such pseudonyms to the appropriate report. The Clerk, Secretary, or the Commission shall exclude these lists from the public record;

"(5) keep such designations, reports, and statements for a period of 10 years from the date of receipt, except that designations, reports, and statements that relate solely to candidates for the House of Representatives shall be kept for 5 years from the date of their receipt;

"(6) (A) compile and maintain a cumulative index of designations, reports, and statements filed under this Act, which index shall be published at regular intervals and made available for purchase directly or by mail;

"(B) compile, maintain, and revise a separate cumulative index of reports and statements filed by multi-candidate committees, including in such index a list of multi-candidate committees; and

"(C) compile and maintain a list of multi-candidate committees, which shall be revised and made available monthly;

"(7) prepare and publish periodically lists of authorized committees which fail to file reports as required by this title;

"(8) prescribe rules, regulations, and forms to carry out the provisions of this title, in accordance with the provisions of subsection (e);

"(9) transmit to the President and to each House of the Congress no later than June 1 of each year, a report which states

in detail the activities of the Commission in carrying out its duties under this title, and any recommendations for any legislative or other action the Commission considers appropriate; and

"(10) serve as a national clearinghouse for information with respect to the administration of this Act and the compilation and administration of State campaign finance and election disclosure laws. The Commission may enter into contracts for the purpose of conducting such independent studies. Studies made under this subsection shall be published by the Commission and copies thereof shall be made available to the general public upon the payment of cost thereof.

"(c) The Commission may audit any political committee required to file a report under paragraph 304(a)(4) and under paragraph 304(a)(3). The Commission shall give priority to audits and field investigations concerning the verification for, and receipt and use of, any payments received by a candidate under chapter 95 or chapter 96 of the Internal Revenue Code of

"(d) Any forms prescribed by the Commission under subsection (a)(1), and any information-gathering activities of the Commission under this Act, shall not be subject to the provisions of section 3512 of title 44, United States Code.

"(e) (1) Before prescribing any rule, regulation, or form under this section or any other provision of this Act, the Commission shall transmit a statement with respect to such rule, regulation, or form to the Senate and the House of Representatives, in accordance with this subsection. Such statements shall set forth the proposed rule, regulation, or form, and shall contain a detailed explanation and justification of it.

"(2) If either House of Congress does not disapprove by resolution any proposed rule or regulation submitted by the Commission under this section no later than 30 days of continuous session after the date of the receipt of such proposed rule or regulation or no later than 15 days of continuous session after the date of receipt of such proposed form, the Commission may prescribe such rule, regulation, or form.

"(3) For purposes of this subsection—

"(A) continuity of session of the Congress is broken only by an adjournment sine die; and

"(B) the days on which either Houses are in session are counted in the computation of the 30-day period and the days on which one House is in session are counted unless the other House is not in session because of an adjournment of more than 3 days to a day certain.

"(4) For purposes of this subsection, the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

"(5) Whenever a committee of the House of Representatives reports any resolution relating to any such form, rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and is not in order to move to reconsider the vote by which the motion is agreed to or disagreed with.

"(f) Notwithstanding any other provision of law, any person who relies upon any rule or regulation prescribed by the Commission in accordance with the provisions of this section and who acts in good faith in accordance with such rule or regulation shall not, as a result of such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954."

STATEMENTS FILED WITH STATE OFFICERS

SEC. 110. Section 312 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"STATEMENTS FILED WITH STATE OFFICERS

"SEC. 312. (a) (1) A copy of each report and statement required to be filed by any person under this title shall be filed by such person with the Secretary of State (or equivalent State officer) of the appropriate State, or, if different, the officer of such State who is charged by State law with maintaining State election campaign reports. The chief executive officer of such State shall designate any such officer and notify the Commission of any such designation.

"(2) For purposes of this subsection, the term 'appropriate State' means—

"(A) for statements and reports in connection with the campaign for nomination for election of a candidate to the office of President or Vice President, each State in which an expenditure is made on behalf of the candidate; and

"(B) for statements and reports in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the State in which the candidate seeks election; except that political committees other than authorized committees are only required to file, and Secretaries of State required to keep, that portion of the report applicable to candidates seeking election in that State.

"(b) The Secretary of State (or equivalent State officer), or the officer designated under subsection (a)(1), shall—

"(1) receive and maintain in an orderly manner all reports and statements required by this Act to be filed therewith;

"(2) keep such reports and statements (either in original filed form or in facsimile copy by microfilm or otherwise)—

"(A) for 2 years after their date of receipt, for reports and statements for candidates for the President or Vice President, the Senate, or the House of Representatives; and

"(B) through April 30 of the calendar year following the calendar year in which any report was filed by a political committee other than an authorized committee.

"(3) make each report and statement filed therewith available as soon as practicable (but within 48 hours of receipt) for public inspection and copying during regular business hours, and permit copying of any such report or statement by hand or by duplicating machine at the request of any person, except that such copying shall be at the expense of the person making the request; and

"(4) compile and maintain a current list of all reports and statements pertaining to each candidate."

ACCEPTANCE OF EXCESSIVE HONORARIUMS

SEC. 111. Section 324 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

SEC. 115. Section 318 of the Act, as so redesignated in section 105(a)(5), is amended to read as follows:

"(a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

"(1) if paid for and authorized by a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

"(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such authorized political committee;

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

"(b) No person who sells space in a newspaper or magazine to a candidate or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes."

TECHNICAL AMENDMENTS

SEC. 116. (a) Section 305 of the Act, as so redesignated in section 105(a)(2), is amended—

(1) by striking out "sixty" and inserting in lieu thereof "60";

(2) by striking out "twenty" and inserting in lieu thereof "20"; and

(3) by striking out "Federal Election".

(b) Section 306(c) of the Act, as so redesignated in section 105(a)(3), is amended by striking out "section 310(a)" and inserting in lieu thereof "section 307(a)".

(c) Section 310(a) of the Act, as so redesignated in section 105(a)(4), is amended by striking out "of the United States" the first place it appears therein.

(d) The first sentence of section 316(b)(4)(B) of the Act, as so redesignated in section 105(a)(5), is amended by striking out "it" and inserting in lieu thereof "It".

(e) (1) Section 403(a) of the Domestic Volunteer Service Act of 1973 is amended—

(A) by striking out "section 301(a)" and inserting in lieu thereof "section 301(1)"; and

(B) by striking out "section 301(c)" and inserting in lieu thereof "section 301(3)".

(2) Section 6 of the Department of State Appropriations Authorization Act of 1973 is amended by striking out "section 301(e)" and inserting in lieu thereof "section 301(8)".

TITLE II—AMENDMENTS TO OTHER LAWS

MISCELLANEOUS AMENDMENTS TO TITLE 18 UNITED STATES CODE

SEC. 202. (a) (1) Chapter 29 of title 18, United States Code, is amended by striking out section 591.

(2) The table of sections for chapter 26 of title 18, United States Code, is amended by striking out the item relating to section 591.

(3) Section 602 of such title is amended to read as follows:

"SOLICITATION OF POLITICAL CONTRIBUTIONS

"SEC. 602. It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States to solicit, any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employer, or person. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both."

(4) Section 603 of such title is amended to read as follows:

"MAKING POLITICAL CONTRIBUTIONS

"SEC. 603. It shall be unlawful for any officer, clerk, or other person in the employ of the United States or any department or agency thereof to make a contribution within the meaning of section 301(8) to any other such officer, clerk, or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, unless such contribution is voluntary: *Provided, however,* That no contribution, voluntary or otherwise, may be made by any such officer, clerk, or person to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, or their authorized committee within the meaning of section 302(e)(1) of the Federal Election Campaign Act of 1971, if that person authorizing such committee is the employer or employing authority of the person making such contribution. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both."

(5) Section 607 of such title is amended to read as follows:

"PLACE OF SOLICITATION

"SEC. 607. (a) It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States

to solicit or receive any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 in any room or building occupied in the discharge of official duties by any such person, or in any navy yard, fort, or arsenal. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

"(b) The prohibition in subsection (a) shall not apply to any contributions received by mail in any room, building, or other facility referred to in subsection (a) provided such contribution was not solicited in any such room, building, or other facility and provided such contribution is delivered, within seven days of receipt, to a political committee within the meaning of section 301(4) of the Federal Election Campaign Act of 1971."

**MISCELLANEOUS AMENDMENT TO TITLE 26,
UNITED STATES CODE**

SEC. 302. Section 9008(b) of title 26 is amended by striking at the end thereof the figure "\$2,000,000" and inserting in lieu thereof "\$3,000,000".

**TITLE III—GENERAL PROVISIONS
EFFECTIVE DATES**

SEC. 301. (a) Except as provided in subsection (b), the amendments made by this Act are effective upon enactment.

(b) For authorized committees of candidates for President and Vice President, section 304(b) shall be effective for elections occurring after January 1, 1981.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gen-

tleman from New Jersey (Mr. THOMPSON) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I am delighted to present to my colleagues the bill H.R. 5010, a bill to make technical and noncontroversial amendments to the Federal Election Campaign Act.

H.R. 5010 is the joint effort of both Democrats and Republicans on the Committee on House Administration. In fact, the entire committee membership has cosponsored H.R. 5010.

I want to take particular note of the efforts of our colleague from Minnesota, BILL FRENZEL, and the committee's minority staff, for their many hours of cooperative and productive effort. Without their labors, H.R. 5010 would not be before the House today.

Mr. Speaker, while this bill is noncontroversial and many of its changes are technical, I do not mean to imply that some of them are not significant or substantive:

The recordkeeping and reporting provisions of the act are simplified;

The role of State and local political parties in campaigns is increased; and

The procedural requirements of the enforcement process have been reduced.

These, and other changes, result from the committee's legislative and oversight hearings as well as 8 years of experience under the act. These changes have a broad and bipartisan base of support—in fact, Mr. Speaker, I am not aware of any opposition to H.R. 5010. The committee finds itself in the unusual position of being awash in a sea of uncritical acclaim.

For the benefit of my colleagues, I shall briefly outline the major provisions of H.R. 5010:

A substantial number of changes are made in the recordkeeping and reporting provisions of the act. The number of candidates who will be required to file reports under the act will be reduced by a change in the definition of the term candidate. Currently, an individual becomes a candidate when he or she receives any contribution or makes any expenditure; the bill establishes a \$5,000 threshold. A candidate who receives less than \$5,000 or spends less than \$5,000 will not incur a reporting obligation.

Under the bill, all of the financial activities of a campaign will be controlled and reported by the candidate's authorized committee; however, the candidate will be able to receive contributions and make expenditures as an agent of his or her authorized campaign committee or committees. Additionally, the name of the candidate must appear in the name of the authorized committee. Likewise, political action committees will have to include the name of the organization which establishes the committee in their name.

The bill provides that a political com-

mittee will no longer be required to have a chairman. Currently, there must be a chairman and a treasurer, although the chairman has no official responsibilities. Further changes are made in the time allowed (10 days) in turning over a contribution to the treasurer and in expanding the types of banking institutions in which a political committee may keep its funds to savings and loans associations and credit unions.

The bill attempts to simplify and standardize the types and amounts of information required to be listed by a committee, both when registering and when reporting. For instance, the information required to be listed on a registration statement is reduced from the present 11 categories to 6. The bill also substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a 2-year period.

The bill makes changes in the recordkeeping requirements of the act. Currently, a treasurer must keep a receipted bill if, during a calendar year, the treasurer made expenditures exceeding \$100 to the same vendor. The bill requires a treasurer to keep a receipt, invoice, or canceled check for each expenditure in excess of \$100.

The new provision pertaining to political parties allow a State or local committee of a political party to purchase, without limit, campaign materials used in connection with volunteer activities on behalf of a candidate—such as buttons, bumper stickers, and yard signs. This exemption will not apply to costs incurred for media advertising or mass mailings—activities of this type would be subject to the contribution and expenditure limitations of the act.

A similar exemption would be created to allow State and local party committees to engage in certain voter registration and get-out-the-vote activities on behalf of the nominees of such party for President and Vice President.

The bill also attempts to reduce reporting obligations for local party committees. Under existing law such committees must register and report if they make contributions or receive expenditures in excess of \$1,000. The bill raises that threshold to \$5,000 for certain party-building "exempted expenditures."

The bill requires the commission to respond to a request for an advisory opinion within 60 days instead of a "reasonable time." During the 60 days immediately preceding an election, a request by a candidate must be answered within 20 days.

The procedural steps of the commission enforcement process are reduced in the bill. Before taking any action on a complaint filed with it, the commission must provide the person complained against with a copy of the complaint and allow such person 5 days to demonstrate to the commission that no action should be taken on the complaint.

If the commission does proceed with an investigation of the matter, the respondent will receive a copy of the general counsel's brief recommending to the

commission that they find probable cause that the respondent violated the law. The respondent will have 15 days to prepare and file a brief outlining his or her arguments.

The current requirement for disclosure and solicitation statements is modified. The bill provides for one simple statement of authorization on all political solicitations and advertisements, replacing the two statements which are now used in separate situations.

Of particular interest to my colleagues, the bill amends sections 602, 603, and 607 of title 18 to comport with existing Justice Department enforcement of these sections. Congressional employees may make a voluntary political contribution to a Member of Congress other than their immediate employer; inadvertent solicitations of congressional employees will not violate the ban on solicitation. Additionally, a contribution received by mail in any Federal building will not be a violation if it is forwarded within 7 days to the appropriate political committee.

Finally, the bill amends the title 26 provisions pertaining to payments for Presidential nominating conventions. The amount of the entitlement for major parties is increased from \$2,000,000 to \$3,000,000.

Mr. Speaker, this is a good bill—a much needed bill.

It has the unanimous support of all interested and affected parties.

It was unanimously reported by the Committee on House Administration.

It fully deserves the unanimous support of the full House of Representatives.

Mr. Speaker, I respectfully urge my colleagues to suspend the rules and pass H.R. 5010.

□ 1300

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I will be glad to yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, I am among those in the membership of the House who have tried to run for public office without any contributions or any expenditures. I adopted that policy 5 or 6 years ago, and I have been troubled about my obligation to file reports.

Now, it has been very discouraging in the past to be troubled and concerned about these reports. I have had to appoint a treasurer, and I had no funds for him to account for. I felt that I was very much worried about the severity of the statute if I did not file that I had received nothing or spent anything, or that I might not have properly named a treasurer.

Is that taken care of in this legislation?

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. THOMPSON. Mr. Speaker, I yield myself 3 additional minutes.

Yes, it is, and further, if any moneys accrue to the gentleman from Ohio—

Mr. VANIK. They do not. There is no problem.

Mr. THOMPSON. I said, if any do accrue and any reporting by the gentleman is required, the number of reports would

be reduced from 24 to 9. I think the gentleman need have no fear.

Mr. VANIK. I still have to file nine reports?

Mr. THOMPSON. No, the gentleman will not under the revision of the act.

Mr. VANIK. Do I have to file any reports if I have no contributions and no expenditures?

Mr. THOMPSON. No, the gentleman does not.

Mr. VANIK. I think that is a tremendous improvement.

Mr. THOMPSON. I might say that the gentleman is almost totally unique in this body, and it would be nice if he does not have to file.

Mr. VANIK. I cannot tell the gentleman how comforting it is.

Mr. THOMPSON. Good. I am glad the gentleman, after all our years of service together, is finally comfortable.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Minnesota.

Mr. FRENZEL. That is my understanding of the bill also. I think the gentleman will have a much easier time in the next election.

Mr. VANIK. I thank the gentleman.

Mr. THOMPSON. Mr. Speaker, I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, it is not often—in fact, I believe this is the first time—that an election bill has been brought out of House Administration Committee with bipartisan support and, miraculously, this one has support of every single member of the committee.

I want to echo the remarks of my distinguished chairman, and extend my thanks for his splendid cooperation and for the many months of work by the majority staff. Special thanks should go to Bob Mossy, Carolyn Reed, and Steve Sachs—winner.

Mr. Speaker, because we eliminated partisan squabbling, this bill is probably the first election bill that is the product of continuous, careful, deliberate work. I would hate to use the word “reform” but H.R. 5010 will surely go a long way toward making some sense out of the crazy-quilt system of law we have enacted over the past 8 years.

There are many changes in H.R. 5010 that I believe important, but none is more important than the increased flexibility and encouragement given to our State and local party committees.

These committees, Mr. Speaker, were virtually excluded from the 1976 Presidential election. Some of the problems were recognized by President Carter and were made part of his election recommendations. The Kennedy Institute at Harvard made special note of the adverse effect our election law has had on the State and local party committees. Some similar thoughts were recently repeated by Dr. Herb Alexander, the dean of election law specialists.

These are the broadest based units of political involvement in our election system. H.R. 5010 will permit them, in fact,

encourage them to once again play an important role in electing Federal candidates.

STATE AND LOCAL PARTY COMMITTEES

H.R. 5010 makes the following changes for these party committees:

First. Reporting. Local committees of a political party will not incur reporting obligations unless they receive contributions in excess of \$5,000 during a calendar year; make payments for certain exempt activity in excess of \$5,000 during a calendar year; or make contributions or expenditures aggregating in excess of \$1,000 during a calendar year.

Second. Exempted activities. H.R. 5010 permits payments for campaign materials such as: pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs. The bill will also allow payments for costs of voter registration and get-out-the-vote activity when done on behalf of their Presidential ticket. These party committees will not incur reporting obligation unless these payments are in excess of \$5,000 during a calendar year.

Third. Volunteer activities. Additionally, H.R. 5010 extends the volunteer exemptions to all political party committees. These activities include:

Residential premises. Currently, a volunteer can use their residence for an event and the first \$500 is excluded from the definition of contribution and expenditure. This exemption has been raised to \$1,000 and has been extended to events held on behalf of all political committees of a political party. The exemption for the later activity is \$2,000 in any calendar year. One additional change in this provision is the amendment offered by our distinguished colleague from South Carolina (Mr. CAMPBELL) which extended residential premises to include club and community rooms.

Vendor Exemption. The current exemption for vendors has been raised to \$1,000 per candidate per election. In addition, this exemption is extended to discounts to or on behalf of political party committees not to exceed \$2,000 per calendar year.

Travel expenses. This exemption has been raised to \$1,000 and has been extended to travel expenses incurred for party-related business not to exceed \$2,000 per calendar year.

Fourth. Legal and accounting. Additionally, Mr. Speaker, the exemption for legal and accounting services has been extended to include services on behalf of party committees.

Secondly, Mr. Speaker, this bill greatly reduces and simplifies the reporting requirements required of candidates and their committees.

CANDIDATES

First. Candidate definition. The definition of candidate has been changed to include a threshold of \$5,000 for contributions or expenditures. A person will not be required to file reports until he/she reaches this threshold. Hopefully, this change should reduce the reporting obligations of more than 100 persons.

Second. Carter/Koch. Another difficulty occurring in the 1976 election was the so-called Carter/Koch problem. H.R. 5010 creates a solution for that problem and will go a long way to encourage candidates to run with other candidates as a "team." Candidates will be permitted to pay for certain types of campaign materials without the payment being either a contribution or expenditure to the other candidate.

Third. Candidate reporting. Candidates are relieved of any reporting obligations on their own forms. Instead, the candidate will be able to receive contributions or make expenditure as an agent of his/her authorized committees.

Fourth. Reports. Candidates for the House and Senate's authorized committees will be required to file 9 reports instead of the current maximum of 24 in a 2-year period.

Fifth. Recordkeeping. The recordkeeping requirements are reduced and rewritten to reflect more accurately the actual contributions received and expenditures made for a campaign. Under current law, expenditures aggregating \$100 or more have to be reported. This amount is raised to \$200. In addition, a canceled check will be sufficient to satisfy the recordkeeping requirements of the act.

MISCELLANEOUS PROVISIONS

First. Advisory opinions requests must be answered by the Federal Election Commission within 60 days rather than a reasonable time. During the 60 days before an election, a candidate's request for an advisory opinion must be answered within 20 days.

Second. Enforcement. The enforcement procedure is reduced from 3 to 2 steps. In addition, the respondent is given a greater opportunity to demonstrate that no action should be taken on a complaint.

Third. Secretaries of State. The burden on the Secretaries of State is reduced. Currently, reports filed with the Secretaries are required to be preserved for 5 years for House reports and 10 years for all other political committees. H.R. 5010 reduces that preservation period to 2 years for candidates reports and until April 30 of the following year for reports of all other political committees.

Fourth. Sections 602, 603, and 607 of title 18. The bill amends sections 602, 603, and 607 of title 18. Congressional employees may make voluntary political contributions to Federal candidates other than their immediate employer. Inadvertent solicitation of congressional employees will not violate the ban on solicitation. In addition, contributions received by mail in any Federal building will not be unlawful if forwarded to the appropriate political committee within 7 days of receipt.

Fifth. Convention financing. H.R. 5010 amends title 26 to give our national committees an additional \$1 million for the nominating conventions. This entitlement will come from the Presidential check-off fund.

Sixth. Effective date. H.R. 5010 is effective upon enactment for committees other than Presidential committees. This

section defers the effective date for the "Contents of Report" section. It was felt that many of these committees have their computer systems in operation and it would be both unnecessary and burdensome for them to revise their programs. However, this exclusion would not preclude them from revising their systems to take advantage of the new reporting section.

Mr. Speaker, I would like to join my colleague and chairman in urging the House to suspend the rules and pass this bill.

□ 1310

Mr. Speaker, I would like to engage in colloquy with the distinguished chairman of the committee, the gentleman from New Jersey (Mr. THOMPSON).

I notice in the committee's report a sentence, with which I agree, that makes clear that the cost of commercial telephone bank systems or operations are not to be part of the section 301 exemption for registration or get-out-the-vote activities. Clearly, since the premise of this exception in H.R. 5010 is that volunteer activities are a party building function, the costs of commercial vendors should not be covered.

However, I am familiar with the situation where a professional person will be hired by a State or local party to design a telephone bank, develop calling instructions and train supervisors. The telephone bank itself would be completely conducted by the State or local party and completely operated by volunteers.

How would the Chairman interpret that situation in light of the language of H.R. 5010 and the report?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

First, I would like to thank the gentleman for his continuing interest in this subject matter and for his really splendid cooperation.

In the situation described by my friend and colleague from Minnesota, where a registration or get-out-the-vote telephone bank is totally conducted by a State or local party, and completely run by its volunteers, the referred to exemption from the definition of "contribution" would apply. This would be the case, notwithstanding the use of a paid professional to design the system, develop calling instructions and train supervisors. Of course, the costs of the paid professional would not be covered by the exemption.

And my esteemed colleague is also correct that the committee's intent in creating this registration and get-out-the-vote exemption, and the so-called buttons and bumperstrips exemption in 301(8)(x), was to help State and local political parties play a much needed larger role in the political process through the increased use of volunteers.

We need more people involved in politics—not fewer. One of the problems with the present campaign law is that it

is driving people off campaigns. H.R. 5010 will hopefully reverse that trend.

Mr. FRENZEL. I concur in the chairman's statement, particularly in the final statement that this part of the bill, and in fact the bill in its totality, will increase participation.

Mr. Speaker, the minority has no requests for time, and I yield back the remainder of my time.

● Mr. ROSTENKOWSKI. Mr. Speaker, I rise to make clear my views on H.R. 5010. I support the passage of this legislation. Chairman THOMPSON of the Committee on House Administration has brought to the House floor a very worthwhile measure.

H.R. 5010 provides a significant level of procedural reform to the Federal Election Campaign Act. The bill simplifies and standardizes the types and amounts of information required by candidates both when registering and reporting. In particular, the bill substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a 2-year period.

While I am a supporter of H.R. 5010 and feel it provides needed simplifications, I have, however one reservation. Election officials in my district have expressed dismay that the bill would limit the scope of the Federal Election Commission as a national clearinghouse for information concerning election laws. Under H.R. 5010, the FEC could not proceed with the same comprehensive studies it now can provide. These election officials are concerned that a useful service to them has been removed.

Accordingly, I would hope that in the future the Congress could act to guarantee continuance of all the services the clearinghouse currently provides.●

Mr. THOMPSON. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and pass the bill H.R. 5010, as amended.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5010, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DUTY-FREE ENTRY OF CARILLON BELLS FOR THE UNIVERSITY OF FLORIDA

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5010).

REPORT NO. 96-319
TO ACCOMPANY
S. 1757

SENATE COMMITTEE
ON
RULES AND ADMINISTRATION

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS
 OF 1979

SEPTEMBER 17 (legislative day, JUNE 21), 1979.—Ordered to be printed

Mr. PELL, from the Committee on Rules and Administration,
 submitted the following

REPORT

[To accompany S. 1757]

The Committee on Rules and Administration, having considered an original bill (S. 1757) to amend the Federal Election Campaign Act of 1971, as amended, and for other purposes, reports favorably thereon and recommends that the bill do pass.

PURPOSE OF THE BILL

The bill as reported has two major goals: (1) To simplify reporting requirements for candidates and committees under the Federal Election Campaign Act, and (2) to encourage grass roots participation in Federal election campaigns. The bill substantially incorporates the provisions of S. 926 as passed by the Senate in the 95th Congress by a vote of 88 to 1. In addition, it includes certain legislative recommendations from the Federal Election Commission's 1978 annual report, which are intended to remedy statutory omissions and address other technical problems in the operation of the current law.

As the committee report accompanying S. 926 (S. Rept. 95-300) indicated, reporting requirements under the existing act have been viewed by most reporting entities as unduly burdensome, going beyond legitimate disclosure to actively discourage participating in the electoral process. The provisions simplifying the reporting requirements are identical to those in S. 926, and would, for example, reduce the number of candidate reports in a 2-year election cycle from a maximum of 24 to 8.

In addition, the bill would simplify registration statements for candidates and committees, raise the threshold amount over which detailed information on a contributor must be supplied, and shorten the period of time that Federal reports must be retained by State officials.

An equally important objective of the bill is to encourage grassroots participation in the political process. Witnesses in testimony before the committee expressed the opinion that the current act unduly restricts the role of political parties in Federal election campaigns. Several provisions in the bill are directed at enhancing and enlarging the scope of political party activity, as one means to encourage individual participation.

The current law exempts the payment of certain costs associated with volunteer activity on behalf of candidates from the definition of expenditure. The bill would extend this exemption to volunteer activity on behalf of political party committees as well. Thus, a volunteer's use of his residential premises, the furnishing of food and beverages by a vendor for less than the usual cost, and a volunteer's unreimbursed travel expenses, could, up to a value of \$1,000, be donated to a political party as well as a candidate.

Other testimony before the committee suggested that the reporting requirements of the act served to deter State and local political party committees from becoming involved in Federal campaigns. Recognizing the importance of these State and local committees in serving as a vehicle for grassroots participation, the bill would exempt these committees from the reporting requirements of the act until they received contributions in excess of \$5,000 (as opposed to the existing threshold of \$1,000 for all political committees). Additionally, State and local party committees could pay for certain campaign materials used in connection with volunteer activities (such as pins, bumper stickers and brochures) without having the payment count as an expenditure.

Finally, State and local party committees would be able to participate in Presidential campaigns under a provision enabling the State party committee, or one designated by the candidate, to raise and expend certain funds on the State level on behalf of the party's Presidential candidate, without having the money count toward the Presidential candidate's expenditure ceiling. Transfers from the national party committee or from other State party committees would not be permitted for purposes of making the expenditures under this section. This provision follows both S. 926 and a Federal Election Commission legislative recommendation.

Through these and other amendments proposed in the bill, the committee has sought to improve the operation and efficiency of the Federal Election Campaign Act, responding to some of the more serious and constructive criticisms of the current law, while maintaining the basic principles of campaign finance disclosure.

COMMITTEE ACTION

The bill is an original bill of the Committee on Rules and Administration to amend the Federal Election Campaign Act of 1971.

On July 13, 1979, the committee received testimony at a hearing conducted by Chairman Claiborne Pell, from a number of witnesses and also received written statements on the bill, which, together with the testimony of the witnesses, are part of the printed hearing record of these matters.

On July 26, 1979, the committee held a markup session on the above bill, and voted to report it favorably to the Senate and to recommend passage by the Senate.

AMENDMENTS TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

REDUCTION OF REPORTS AND RECORDKEEPING

The bill would reduce substantially the number of reports required to be filed with the Commission and appropriate State offices without diminishing public disclosure. The committee found that in the 1976 and 1978 election campaigns, many candidates and committees were burdened by the large number of reports and volume of information required to be maintained and submitted. Also, the excess reports and requirements have made it more difficult for the press and the public to use campaign finance reports effectively. To improve the situation, the bill would reduce the number of reports required to be filed by Federal candidates and their principal campaign committees from 24 to 8 over a 2-year period; by a Presidential candidate from 16 to 14; and by multicandidate committees from 12-24 to 10-24. The following table indicates these changes:

COMPARISON OF THE REPORTING REQUIREMENTS OF CURRENT LAW AND S. —

Number of reports required to be filed in 2-year cycle	Current law	S. —
Candidates and their principal campaign committees.	Requires 24 reports (7 for each separately during an election year, and 5 for each separately during a nonelection year).	Would require only 8 reports (6 for both together during an election year, and 2 for both together during a nonelection year).
Presidential candidates.....	Requires 16 reports (12 monthly reports in an election year and 4 quarterly reports in a nonelection year).	Would require only 14 reports (12 in an election year and 2 in a nonelection year).
Multicandidate committees....	Requires from 12 to 24 reports (8 to 12 reports in an election year and 4 to 12 reports in a nonelection year).	Would require from 10 to 24 reports (8 to 12 reports in an election year and 2 to 12 reports in a nonelection year).

The bill would also raise the threshold above which detailed information about contributions and expenditures would have to be reported from \$100 to \$200. For independent expenditures, the annual reporting threshold would be increased from \$100 to \$250 for individuals, and those who make independent contributions would be relieved of reporting, that responsibility being transferred to the recipient of such a contribution over \$100. These amendments would further alleviate the reporting burdens and reduce by somewhere between one-quarter and one-third the files required to be processed and stored by the Commission.

To prevent a repeat of the well-documented reporting problems encountered by delegates during the 1976 Presidential campaign, the financial reporting of delegates and delegate activity with the FEC would be reduced under the bill. All individual spending by a delegate on his or her own behalf; all party contributions to and expenditures on behalf of delegates; and all party spending on behalf of a caucus or convention to select delegates would be excluded from the definition of "contribution" or "expenditure", thus removing such payments and spending from the Act's reporting requirements.

Contributions to delegates would be governed by the same limits as contributions to candidates for office. However, delegates would be required to report the receipt of such contributions only when they aggregate more than \$2,500 exclusive of travel and subsistence. Likewise, ex-

penditures (exclusive of travel and subsistence) in excess of \$2,500 by a delegate must be reported. In the 1976 Presidential election campaign, \$2,500 constituted the greatest amount of financial activity by a delegate, so it is anticipated that the reporting requirements established by this bill should involve only a fraction of delegates to the 1980 conventions while at the same time preventing significant financial activity from going unnoticed.

The bill would also reduce the information required to be filed on committee registration statements and would eliminate the requirement that multicandidate committees amend their registration statements each time they support an additional candidate.

ROLE OF POLITICAL PARTIES

The Federal Election Campaign Act placed a disproportionate emphasis on candidates, to the detriment of the political parties during the 1976 and 1978 elections. The law, for example, encouraged individuals to volunteer their services in support of particular candidates, but not necessarily political parties. State and local party committees were also virtually prohibited from giving any significant support to their Presidential nominee in the general election.

The bill would permit a State or local committee of a political party to pay the costs of certain campaign material used in connection with volunteer activities on behalf of candidates, without the costs constituting a contribution or an expenditure under the act, so long as party funds were not earmarked for a particular candidate. These materials may include pins, bumper stickers, handbills, posters and yard signs, but may not include the use of broadcasting, newspapers, magazines or other similar types of general public political advertising.

The bill would also extend to political party activity the present exemptions in the law for the use of one's residence, the provision of goods and services by vendors and volunteer travel expenses and would increase these exemptions from \$500 to \$1,000 as to a candidate and would set an exemption of \$2,000 as to such an activity on behalf of a political party. At present, these exemptions only relate to activities on behalf of a candidate. Existing law exempts legal and accounting services contributed to the national committee of a political party, and the bill extends this to all party committees.

Finally, the bill would provide for the expenditure of funds by the parties on behalf of a candidate for President at the State level, unless the Presidential nominee has designated a particular committee to raise funds and make expenditures on his behalf in that State. The State committee of a political party, including any subordinate committee of the State committee, may make expenditures in connection with a general election campaign of a Presidential candidate of that party up to the greater of \$20,000 or 2 cents multiplied by the voting age population of that State. The State committees would be permitted to raise funds for this purpose subject to the normal limitations on contributions to party committees, but may not accept transfers from other State or national party committees for these expenditures.

The bill, however, allows the national committee of a political party that has nominated a candidate for President to designate a State or local party committee to raise and expend such funds for its candidate.

CANDIDATE ACTIVITY

There was a large degree of uncertainty during the 1976 elections as to the extent a Senate or House candidate could mention and support his political party's Presidential nominee in the general election, without that support being classified as a prohibited in-kind contribution. The bill would amend the law to encourage the listing or mentioning of candidates with their party's Presidential nominee. Specifically, the value of listing or mentioning the name of any Presidential candidate in any Federal or non-Federal candidate's campaign material will not be a contribution where the purpose of such listing or mentioning is to promote the candidacy of such Federal or non-Federal candidate, and it is initiated by such Federal or non-Federal candidate.

The bill would permit the transfer of excess campaign funds to a political party committee without limitation. Under present law, such a transfer is permitted, but limited to the annual contribution limit. The bill, furthermore, would prohibit the conversion of excess campaign funds to personal use reflecting a position adopted by the Senate on previous occasions and reflected in rule XLVI of the Standing Rules of the Senate.

The bill would provide a grant of \$500,000 from the Presidential election campaign fund to Presidential candidates in the general election to defray the legal and accounting costs of complying with the law. Under present law, Presidential candidates can receive contributions to defray these costs. With the grant of additional public funds, such contributions would be prohibited.

POLITICAL COMMITTEE ACTIVITY

The bill provides that, in order to qualify as a "multicandidate committee" (eligible for higher contribution limits), a political committee must have made contributions to five or more candidates for Federal office which aggregate at least \$250 each with respect to at least five such candidates. This change was made to assure that such committee's activities are directed toward a large number of candidates. Under present law, it is possible for a committee to make de minimis contributions to four candidates and \$1,000 to a fifth to qualify it for the \$5,000 limit available to multicandidate committees, although the committee may, in reality, be contributing to only one candidate.

The bill amends the act to give a corporation the right of approving solicitation by a trade association of its unincorporated division. Under existing law, a corporation's incorporated subsidiary could approve solicitation under the act by a trade association but not its unincorporated divisions. The law would also be changed to permit the approval of solicitations by a trade association to remain in effect until revoked by the member corporation or division, rather than require new approvals each year.

ADMINISTRATIVE PROVISIONS

The bill would alter the statutory conciliation period from 30 to 20 days in order to facilitate the Commission's more expeditious handling of complaints, particularly during the heat of a campaign. The bill

would also clarify the definition of "legislative days" as applied to the promulgation of regulations.

The bill would reduce the retention period for reports filed with State Secretaries of State, permit them to preserve reports on microfilm and require the retention of only those reports related to candidates in that State.

REGULATORY IMPACT STATEMENT

In compliance with the provisions of paragraph 5(a) of rule XXIX of the Standing Rules of the Senate, the regulatory impact which would be incurred if the bill is enacted as reported, submitted by the Federal Election Commission, is as follows:

1. Number of individuals and businesses affected by the bill

The number of entities reporting to the Commission during calendar year 1978, and a breakdown by class, is set forth in the attached appendix. The total number of filers existing during the 1978 election was 10,431. With the addition of the Presidential campaigns in 1980 it may be expected that this number will increase somewhat.

The amendments proposed in the bill may slightly decrease the number of entities which would otherwise be required to register with and report to the Commission. Particularly significant in this regard are the exemption of certain types of local party activity and party payments of delegates expenses, which should reduce the number of local and State party committees required to report to the Commission.

2. Economic impact on individuals, consumers, and businesses affected by the bill

Commission regulations are noneconomic in nature and therefore should have minimal economic impact. The reduction in the number of entities required to report to the Commission and the number of reports required to be filed indicates that any economic impact that might result from the amendments would be a reduction in the costs of complying with the requirements of the Federal Election Campaign Act.

3. Impact on personal privacy of individuals affected by the bill

The impact of the bill on the personal privacy of the individuals affected would principally be to reduce the marginal intrusion on personal privacy resulting from disclosure of individual contributions. Raising the reporting threshold for individual contributions from \$100 to \$200, and increasing the exemption for residential vendor and volunteer travel expenses from \$500 to \$1000, would reduce the number of instances in which personal contributions would have to be reported.

4. Additional paperwork and costs resulting from the bill

The changes in the reporting schedule would reduce the number of reports required to be filed during a 2-year election cycle by 60 percent. This substantial reduction would greatly reduce the paperwork required to be filed with the Commission. The Commission estimates that during 1978, 1.5 million pages of disclosure documents were filed with it. Even if the 60 percent reduction in the number of reports filed only effected a 30 percent reduction in pages filed, the total figure in 1978 would have been lowered to 1,050,000 pages.

Recordkeeping requirements are not materially affected by the bill. There may, however, be a slight reduction in recordkeeping due to the increased exemptions for residential, vendor, and volunteer travel expenses and the addition of new exemptions for certain payments by State and local parties to delegates, as well as local party volunteer activity.

APPENDIX SUMMARY OF DISCLOSURE FILES

	As of Dec. 31, 1978				Reports and statements in 1978	Gross receipts in 1978 ¹	Gross expenditures in 1978
	Total filers existing in 1978	Filers terminated	Filers waived	Continuing filers			
Presidential					499	\$1,387,555	\$1,623,674
Candidates.....	122	96	13	8			
Committees.....	177	111	0	66			
Senate					5,539	83,550,151	83,698,823
Candidates.....	562	246	254	62			
Committees and office accounts.....	655	292	0	363			
House					25,859	108,416,103	104,176,819
Candidates.....	2,878	981	1,678	219			
Committees and office accounts.....	3,175	1,438	0	1,737			
Party					6,500	117,453,809	124,285,138
National level committees.....	55	21	0	34			
State level committees.....	180	68		112			
Local level committees.....	554	257		297			
Convention committees.....	8	5		3			
Delegates.....	6	4	0	2	0	50	7,595
Nonparty					27,427	54,387,415	61,737,926
Labor Committees.....	273	55	0	218			
Corporate committees.....	833	49	0	784			
Membership, trade, and other committees.....	797	166	0	631			
Communication cost filers.....	87	NA	0	NA	65	5,903	217,545
Independent expenditures by persons other than political committees.....	69	26	0	43	214	86,824	116,016

¹ Based on data taken from reports filed as of Dec. 31, 1978.

FIVE-YEAR COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., September 13, 1979.

HON. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, 305
Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for Federal Election Campaign Act Amendments of 1979.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ROBERT D. REISCHAUER
(For Alice M. Rivlin, Director).

CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE

SEPTEMBER 13, 1979.

1. Bill number: Not yet assigned.
2. Bill title: Federal Election Campaign Act Amendments of 1979.

3. Bill status: As ordered reported by the Senate Committee on Rules and Administration, July 26, 1979.

4. Bill purpose: The purpose of this legislation is to amend the Federal Election Campaign Act of 1971 by changing the reporting requirements of candidates and delegates to nominating conventions, as well as certain procedures of the Federal Election Commission (FEC). The bill authorizes a grant of \$500,000 from the Presidential election campaign fund to Presidential candidates in the general election to defray costs of legal and accounting services. The bill also directs the FEC, in cooperation with the National Bureau of Standards (NBS), to conduct a preliminary study of voluntary engineering and procedural performance standards for voting systems.

5. Cost estimate:

[By fiscal years; in millions of dollars]

	1980	1981	1982	1983	1984
Direct spending from Presidential election campaign fund:					
Required budget authority.....					0.80
Estimated outlays.....	0.80	0.20			0.80
Amounts subject to appropriation action:					
Estimated authorization level.....	(.40)				-.05
Estimated outlays.....	.10	.30	-0.05	-0.05	-.05
Net budget impact, total estimated outlays.....	.90	.50	-.05	-.05	.75

The costs of this bill fall within budget function 800.

6. Basis of estimate: For purposes of this estimate, an enactment date late in 1979 has been assumed. The increase in expenditures for legal and accounting services from the Presidential election campaign fund is estimated to be \$1 million every 4 years beginning in 1980, assuming two qualifying presidential candidates in each general election. No new budget authority is required for these expenditures because budget authority is created through the checkoff procedure when individuals file income tax forms. If this bill is enacted, the number of reports filed with the FEC is expected to be reduced by approximately 50 percent, resulting in a cost savings of approximately \$50,000 per year. Based on information obtained from the FEC and the NBS, the preliminary study of performance standards for voting systems will cost approximately \$400,000 over a period of 18 months.

7. Estimate comparison: None.

8. Previous CBO estimate: On September 7, 1979, CBO prepared a cost estimate for a similar bill, H.R. 5010, ordered reported by the Committee on House Administration, August 1, 1979. That bill simplifies reporting requirements and authorizes increased payments to national committees for Presidential nominating conventions. It does not mandate a study of standards for voting systems or authorize grants for legal and accounting services.

9. Estimate prepared by: Kathy Weiss (225-7760).

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

SECTION-BY-SECTION ANALYSIS

Section 1 cites this Act as the "Federal Election Campaign Act Amendments of 1979."

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

Changes in definitions

Section 101 of the bill would amend the definitions of the Federal Election Campaign Act in the following respects:

1. The present exemption granted to legal and accounting services contributed to the national committee of a political party is extended to all political party committees.

2. The present exclusion from contributions and expenditures of certain residential, vendor, and volunteer travel expenses incurred on behalf of a candidate for Federal office is increased from \$500 to \$1,000 per candidate, and is extended to apply to such activities incurred on behalf of a political committee in which case the limit is set at \$2,000 per calendar year.

3. Payment by a candidate for delegate or a delegate to a political party convention or caucus of expenses incurred in connection with the activities of such individual as candidate for delegate or delegate, funds given by a political party to pay expenses of delegate or candidate for delegate to a political party caucus or convention, and expenses of a political party incurred in sponsoring a caucus or convention of the party are exempt from the contribution and expenditure provisions.

4. A contribution or an expenditure shall not include the payment by a State or local committee of a political party of the costs of certain campaign materials used in connection with volunteer activities on behalf of a candidate (such as pins, bumper stickers, handbills, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, or other similar types of general public political advertising) if such payments are made only with funds not earmarked for a particular candidate.

5. The section would also permit get-out-the-vote or registration drives paid for by a political party. The act previously limited this exclusion from contribution and expenditure limitations to such drives conducted on a nonpartisan basis.

6. This section also exempts from the definition of "political committee," and thereby the requirements of this act, any State or local committee of a political party which does not receive in a calendar year contributions aggregating more than \$5,000.

7. A technical recordkeeping requirement is also included in this section which provides that cancelled checks would be prima facie evidence of an expenditure having been made.

8. An "authorized committee" is defined in this section as being either the candidate's principal campaign committee, or a political committee designated by the candidate to receive contributions or make expenditures on the candidate's behalf.

Organization of political committees

Section 102 would prohibit a committee from receiving contributions or making expenditures only when there is a vacancy in the office of treasurer, not treasurer or chairman, as in the present act. It would give a candidate the option of having an authorized committee to receive contributions and make expenditures on his behalf, or of having no committee and acting in his own behalf. The bill would also regulate the use of a candidate's name in the name of the candidate's campaign committee. It would also provide that a candidate shall not be liable for the debts of his principal campaign committee.

Registration of political committees

Section 103 of the bill would amend section 433(b) of title 2, U.S.C., by deleting certain information now required to be contained in a statement of organization which the committee feels is not pertinent. It also provides that multicandidate committees need not amend their registration statements when supporting additional candidates as this information is reflected in reports of expenditures.

Reports

Section 104 of the bill would amend completely section 434(a) of title 2, U.S.C., setting forth the reporting requirements of candidates and committees. This, with other provisions in the bill, would substantially reduce the maximum number of reports that would have to be filed and still maintain full and adequate disclosure of campaign activities. These changes reflect recommendations of the Commission based on their experience with the 1976 elections.

Section 104(b) of the bill would amend section 434(b) by raising the threshold above which detailed information with respect to contributions and expenditures would have to be reported to the Commission from \$100 to \$200. The purpose of this is to alleviate the reporting burden on candidates and committees and reduce substantially the information that is required to be stored and processed by the Commission, without significantly reducing public disclosure of campaign activities. The information would be reported in the aggregate and the more detailed information now required to be kept with respect to contributions in excess of \$50 would still have to be maintained by candidates and committees for audit and enforcement purposes.

Section 104(c) of the bill would amend section 434(e) to raise the reporting threshold for independent expenditures from \$100 to \$250 aggregate during a calendar year for all persons other than political committees or candidates. The person making such an expenditure would be responsible for reporting same to the Commission.

This section would also eliminate the requirement that persons who make contributions in excess of \$200 to a person making independent expenditures file reports with the Commission, and would provide that the person who receives the contribution, and subsequently makes the independent expenditure, would report having received that contribution to the Commission.

Section 104(d) would eliminate from the reporting requirements of the act the reporting of pledges of contributions. This change will require that a pledge be reported upon receipt of the contribution, and thus avoid the double reporting requirement now in effect.

Requirements relating to campaign advertising

Section 105 would shorten and simplify the disclaimer required in all solicitations of contributions.

Formal requirements respecting reports and statements

Section 106 of the bill is a technical amendment to section 436 of title 2, U.S.C., reflecting changes in the provisions relating to reporting requirements.

Campaign Depositories

Section 107 of the bill would amend section 437b of title 2, U.S.C., relating to campaign depositories to provide for the situation where a candidate does not designate a principal campaign committee and would maintain checking accounts or other accounts in a depository of his own designation.

Enforcement

Section 108 of the bill would alter the statutory conciliation period from 30 days to 20 days in order to facilitate the Commission's more expeditious handling of complaints, leaving intact the rest of the enforcement provisions except for technical changes to reflect the changes proposed in the reporting requirements.

Federal Election Commission

Section 109 would permit the Federal Election Commission to retain attorneys without regard to the limitations on compensation of chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code.

Advisory opinions

Section 110 would extend to any person subject to the act the right to request advisory opinions from the Federal Election Commission.

Administrative and judicial provisions

Section 111(a) would amend section 438(a)(4) of title 2, U.S.C. (which provides that information filed with the Commission shall not be sold or utilized by any person with the purpose of soliciting contributions or for any commercial purpose), to permit the names and addresses of any political committee on file at the Commission to be utilized for the purpose of soliciting contributions from that committee.

Section 111(a) would amend section 438(a) of title 2, U.S.C., to authorize the Commission to establish a procedure for random audits, provided that candidates for the Senate or House not be audited on a random basis more than once during an election cycle.

Section 111(c) would amend section 438(a)(10) of title 2, U.S.C., to direct that the Commission and the Internal Revenue Service work together in promulgating rules and regulations which are mutually consistent.

Section 111(d) would amend section 438(c)(4) of title 2, U.S.C., to define legislative days to mean, with respect to statements transmitted to the House, any calendar day on which the House of Representatives is in session, and with respect to any statement transmitted to the Senate, any day on which the Senate is in session.

Section 111(e) would amend section 438(a)(6) of title 2, U.S.C., by eliminating the requirement that the cumulative index of reports and statements be published in the Federal Register. Such an index is available at the Federal Election Commission.

Statements filed with State officers

Section 112 of the bill would amend section 439(a) of title 2, U.S.C., to provide that copies of reports would be filed with the State official designated by the Governor of the appropriate State to accommodate those States which do not have the secretaries of state, or where the secretary of state does not handle the campaign finance information. It would also change the retention period for records filed with the States so that House reports would be preserved for 3 years, Presidential reports for 5 years, and Senate reports for 7 years, in lieu of the present 5- and 10-year requirements which the States have indicated is excessive. The Commission would still be required to preserve its reports for the 10- and 5-year periods. States would be permitted to preserve reports on microfilm and would only have to preserve reports relating to candidates in that State.

Use of contributed amounts for certain purposes

Section 113 of the bill would amend section 439(a) of title 2, U.S.C., to permit excess campaign funds to be transferred without limit to a political party committee. It also prohibits the conversion of excess campaign funds to personal use by any person. This latter provision reflects the position adopted by the Senate in Senate Resolution 110 and contained in rule XLVI of the Standing Rules of the Senate.

Limitations on contributions and expenditures

Section 114(a) of the bill would amend section 441(a) of title 2, U.S.C., to clarify that if a national committee of a political party is designated as the principal campaign committee for a Presidential or Vice Presidential candidate, that the contribution limits pertaining to that candidate would be applicable to those contributions and the committee would have to maintain separate books for such contributions received as the authorized committee of a Presidential candidate.

Section 114(a) would also amend section 441a(a)(4) to require a political committee to have made contributions to five or more candidates for Federal office which aggregate at least \$250 each with respect to at least five such candidates in order to qualify as a "multicandidate committee." Under present law, a committee which meets the other qualifications could make a \$5 contribution to four candidates and \$1,000 to a fifth and qualify for the \$5,000 limit available to "multicandidate committees" although the committee may be in essence contributing to only one candidate.

Section 114(c) of the bill would amend section 441a(d) of title 2, U.S.C., to permit State committees of a political party, including any subordinate committee of a State committee, to make expenditures in connection with a general election campaign of a Presidential candidate of that party up to the greater of \$20,000 or 2 cents multiplied by the voting age population of that State, unless the national committee of the political party which has nominated a candidate for President designates within a specific time period another committee to raise and spend such funds in that State under section 112(d) of

the bill. This is to remedy an apparent oversight in existing law and permit limited contributions and expenditures to support the general election campaign of a Presidential candidate at the State level.

Section 114(d) of the bill gives the national committee of the political party which has nominated a candidate for President an option to designate a specific committee authorized to conduct this activity with notice to the State committee.

Corporations and labor organizations

Section 115 of the bill would amend 2 U.S.C. 441 to permit a separate segregated fund established by a membership organization, cooperative or corporation without capital stock to solicit individuals who are members of the member organizations which are themselves members of such membership organization, cooperative, or corporation without capital stock.

Section 115 of the bill would also amend 2 U.S.C. 441(D) to give a corporation the right of approving solicitation by a trade association of its unincorporated division (as is presently enjoyed by an incorporated subsidiary of parent corporations) where the division is itself a member of the trade association. (See FEC Regs. 114.8(f) regarding trade association solicitation of a subsidiary corporation.) This section would also permit the approval of a trade association to remain in effect until revoked by the member corporation. Under existing law, a separate authorization must be obtained each year. (See FEC Regs. 114.8(d).)

Section 115 requires that a separate segregated fund established by a corporation, labor organization, membership organization, cooperative or corporation without capital stock contain the name of the sponsor organization.

Section 115 would extend to directors and trustees of nonbusiness corporations the definition of persons who can be solicited for political contributions by a political action committee.

Statute of limitations

Section 116 would amend section 455 of title 2, U.S.C., to repeal the 3-year statute of limitations on election campaign violations, thus making such violations subject to the general statute of limitations of 5 years. This repeal would not effect violations occurring more than 3 years prior to the effective date of the bill.

Acceptance of excessive honoraria

Section 117 would amend section 441i of title 2, U.S.C., to bring all candidates for Federal office within the limits on honoraria of \$2,000 per speech and \$25,000 per year. The limitations now apply only to candidates who are elected or appointed Federal officials.

Delegates to nomination conventions or caucuses

Section 118(a) would amend section 441a(a) of title 2, U.S.C., by adding a provision that includes a delegate or candidate for delegate to a convention or caucus of a political party which has authority to nominate a candidate for Federal office as a candidate for Federal office for purposes of the limitations on contributions contained in this section.

Section 118(b) would amend section 434 of title 2, U.S.C., to extend the reporting requirements of the act to any delegate, or candidate for delegate, to a convention or caucus of a political party that has authority to nominate a candidate for Federal office, except that requirements relative to contributions and expenditures shall not become applicable until such delegate or candidate for delegate receives contributions or makes expenditures with respect to such convention or caucus (exclusive of travel and subsistence), either of which aggregate in excess of \$2,500.

TITLE II AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

Entitlement of eligible candidates to payments

Section 201 would provide a grant of \$500,000 from the Presidential election campaign fund to Presidential candidates in the general election to defray the legal and accounting costs of complying with the law. Under present law, Presidential candidates could receive contributions from individuals to defray these costs and with the grant of public funds, such contributions would be prohibited.

Reports to Congress: regulations

Section 202 of the bill would define "legislative day" with regard to the Presidential public financing provisions.

Criminal penalties

Section 203 of the bill would strike section 9012(f) of title 26, U.S.C., a provision considered to be unconstitutional in light of *Buckley v. Valeo* and unenforced by the Commission.

Technical amendments

Section 204 would amend various sections of the act to correct errors of spelling, reference, and terms.

Examinations and audits: repayments

Section 205 would amend section 9007(d) of the Internal Revenue Code of 1954 to provide that repayments be made to the Presidential election campaign fund rather than to the general fund of the Treasury.

TITLE III: MISCELLANEOUS

Section 301 would amend section 603 of title 18, U.S.C., to permit two designated assistants of a Senator to handle campaign funds, and to receive these funds in a Federal building. It would continue the present prohibition against solicitation in a Federal building. It would also permit the receipt of contributions in the mail in a Federal building, provided that they are promptly deposited in a designated campaign depository.

Voting system study

Section 302 would direct the Federal Election Commission, with the cooperation and assistance of the National Bureau of Standards, to study the development of voluntary engineering and procedural performance standards for voting systems used in the United States.

ROLLCALL VOTES IN COMMITTEE

In compliance with section 133 (b) and (d) of the Legislative Reorganization Act of 1946, as amended, the record of rollcall votes in the Committee on Rules and Administration, during its consideration of this original bill is as follows:

Motion by Senator Hatfield: That the bill be reported favorably to the Senate. Approved: 10 yeas; 0 nays.

Yeas—10

Nays—0

Mr. Pell
 Mr. Cannon¹
 Mr. Robert C. Byrd
 Mr. Williams
 Mr. Ford
 Mr. DeConcini
 Mr. Hatfield
 Mr. Baker¹
 Mr. Tower¹
 Mr. Schweiker

¹ By proxy.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XIX of the Standing Rules of the Senate, changes in existing law made by the bill S. — as reported by the Committee on Rules and Administration, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

FEDERAL ELECTION CAMPAIGN ACT
OF 1971

NOTE.—Changes in the Federal Election Campaign Act of 1971 are shown as that Act is reflected in chapter 14 of title 2, United States Code, for convenience of reference.

CHAPTER 14—FEDERAL ELECTION CAMPAIGNS

§ 431. Definitions

When used in this chapter—

* * * * *

(d) "political committee" means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000 *except that any State or local committee of a political party, which committee does not receive contributions in any calendar year aggregating more than \$5,000, shall not be included under this subsection;*

(e) "contribution"—

(1) means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of—

(A) influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party; or

(B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

(2) [means a written contract, promise, or agreement, whether or not legally enforceable, to make a contribution for such purposes;] Repealed.

(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose, except that this paragraph shall not apply in the case of legal or accounting services rendered to or on behalf of [the national] *any political* committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, nor shall this paragraph apply in the case of legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported in accordance with the requirements of section 434(b); but

(5) does not include—

(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

[(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;]

(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate or a political committee of a political party in rendering voluntary personal services on the individual's residential premises for candidate-related or political party-related activities, to the extent that the cumulative value of such activities by such individual on behalf of any candidate does not exceed \$1,000, and on behalf of any

political committee of a political party does not exceed \$2,000 per calendar year:

[(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor;]

(C) the sale of any food or beverage by a vendor for use in a candidate's campaign or for use by a political committee of a political party at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign or for use by a political committee of a political party is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activities by such vendor on behalf of any candidate does not exceed \$1,000, and on behalf of any political committee of a political party does not exceed \$2,000 per calendar year;

[(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;]

(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate or a political committee of a political party, to the extent that the cumulative amount for such individual incurred with respect to such candidate does not exceed \$1,000, and with respect to such political committee of a political party does not exceed \$2,000 per calendar year;

* * * * *

(H) a gift, subscription, loan, advance, or deposit of money or anything of value to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office, except that any such gift, subscription, loan, advance, or deposit of money or anything of value, and any such cost, shall be reported in accordance with section 434(b); **[or]**

(I) any honorarium (within the meaning of section 441i); **[to the extent that the cumulative value of activities by any person on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;]**

(J) the unreimbursed payment by a delegate, or a candidate for delegate, to a convention or caucus of a political party for costs incurred, including travel and subsistence expenses, in connection with the activities of such individual as a delegate or as a candidate for delegate;

(K) funds given by a political committee of a political party to a delegate, or a candidate for delegate, to a convention or caucus of a political party, for costs incurred by such

individual in connection with the activities of such individual, including travel and subsistence expenses, as a delegate or as a candidate for delegate;

(L) the payment of costs incurred by a State or local political party in sponsoring any party meeting, caucus, or convention held to select delegates to a national nominating convention of a political party;

(M) the payment by a State or local committee of a political party of the costs of campaign materials used in connection with volunteer activities on behalf of a candidate (such as pins, bumper stickers, handbills, pamphlets, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or other similar types of general public political advertising) if such payments are made only with funds not designated for a particular candidate;

(N) the payment by a political party for activity designed to encourage individuals to register to vote, or to vote; except that any such payment shall be reported in accordance with section 434(b).

(f) "expenditure"—

(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of Presidential and Vice Presidential elector; or

(B) influencing the results of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

and for purposes of this subsection a cancelled check shall be prima facie evidence that an expense was incurred;

* * * * *

(4) does not include—

* * * * *

[(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities if the cumulative value of such activities by such individual on behalf of any candidate do not exceed \$500 with respect to any election:]

(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate or a political committee of a political party in rendering voluntary personal services on the individual's residential premises for a candidate-related or political party-related activity, to the extent that the cumulative value of such activity by such individual on behalf of any candidate does not exceed \$1,000, and on behalf of any politi-

cal committee of a political party does not exceed \$2,000 per calendar year;

[(E) any unreimbursed payment for travel expenses made by an individual who, on his own behalf, volunteers his personal services to a candidate if the cumulative amount for such individual incurred with respect to such candidate does not exceed \$500 with respect to any election :]

(E) any unreimbursed payment for travel expenses made by any individual who, on his own behalf, volunteers his personal services to a candidate or a political committee of a political party, to the extent that the cumulative amount for such individual incurred with respect to such candidate does not exceed \$1,000 and with respect to such political committee of a political party does not exceed \$2,000 per calendar year;

* * * * *

(J) the payment, by any person other than a candidate or political committee, of compensation for legal or accounting services rendered to or on behalf of [the national] *any political* committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, or the payment for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported under section 434(b) ; [or]

(K) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loan shall be reported in accordance with section 434(b) ;

(L) the unreimbursed payment by a delegate, or a candidate for delegate, to a convention or caucus of a political party for costs incurred, including travel and subsistence expenses, in connection with the activities of such individual as a delegate or as a candidate for delegate;

(M) any payment made by a political committee of a political party to a delegate, or a candidate for delegate, to a convention or caucus of a political party, for costs incurred by such individual in connection with the activities, including travel and subsistence expenses as a delegate or as a candidate for delegate;

(N) any payment made by a State or local political party for costs incurred by the State or local political party in sponsoring any party meeting, caucus, or convention held to select delegates to a national nominating convention of a political party;

(O) *the payment by a State or local committee of a political party of the costs of campaign materials used in connection with volunteer activities on behalf of a candidate (such as pins, bumper stickers, handbills, pamphlets, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or other similar types of general public political advertising) if such payments are made only with funds not earmarked for a particular candidate, but such costs shall be reported in accordance with the requirements of section 434(b); or*

(P) *the payment by a political party for activity designed to encourage individuals to register to vote, or to vote; except that any such payment shall be reported in accordance with section 434(b).*

* * * * *

[(o) "Act" means the Federal Election Campaign Act of 1971 as amended by the Federal Election Campaign Act Amendments of 1974 and the Federal Election Campaign Act Amendments of 1976, and as amended thereafter;]

(o) *"Act" means the Federal Election Campaign Act of 1971 as amended;*

(p) "independent expenditure" means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate or any authorized committee or agent of such candidate and which is not made in concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; [and]

(q) "clearly identified" means that (1) the name of the candidate appears; (2) a photograph or drawing of the candidate appears; or (3) the identity of the candidate is apparent by unambiguous reference[.]; and

(r) *"authorized committee" means the principal campaign committee or any other political committee designated by a candidate to receive contributions or make expenditures on behalf of such candidate.*

§ 432. Organization of political committees

(a) Chairman; treasurer; vacancies; official authorizations. Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of [chairman or] treasurer thereof. No expenditure shall be made for or on behalf of a political committee without the authorization of its [chairman or treasurer, or their designated agents] *treasurer, or his designated agent.*

* * * * *

(e) Principal campaign committee; reports, filing.

(1) Each individual who is a candidate for Federal office (other than the office of Vice President of the United States) shall designate a political committee to serve as his principal campaign committee or notify the Commission that such individ-

ual will not authorize any political committee to receive contributions or make expenditures on his behalf. No political committee may be designated as the principal campaign committee of more than one candidate, except that the candidate for the office of President of the United States nominated by a political party may designate the national committee of such political party as his principal campaign committee. Except as provided in the preceding sentence, no political committee which supports more than one candidate may be designated as a principal campaign committee. Any occasional, isolated, or incidental support of a candidate shall not be construed as support of such candidate for purposes of the preceding sentence.

(2) Notwithstanding any other provision of this title, each report or statement of contributions received or expenditures made by **[a]** *an authorized* political committee (other than a principal campaign committee) which is required to be filed with the Commission under this title shall be filed instead with the principal campaign committee for the candidate on whose behalf such contributions are accepted or such expenditures are made.

(3) It shall be the duty of each principal campaign committee to receive all reports and statements required to be filed with it under paragraph (2) of this subsection and to compile and file such reports and statements, together with its own reports and statements, with the Commission in accordance with the provisions of this title.

(4) *The name of each principal campaign committee of a candidate shall include the name of such candidate, but only the principal campaign committee or authorized committee of a candidate may use the candidate's name in its title.*

(5) *A candidate shall not be liable for the debts of his principal campaign committee.*

§ 433. Registration of political committees

(a) **Statements of organization.** Each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall file with the Commission a statement of organization, within 10 days after its organization or, if later, 10 days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of \$1,000. **[Each such committee in existence at the date of enactment of this act shall file a statement of organization with the Commission at such time as it prescribes.]**

(b) **Contents of statements.** The statement of organization shall include—

(1) the name and address of the committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

[(3) the area, scope, or jurisdiction of the committee;]

[(4)](3) the name, address, and position of the custodian of books and accounts;

[(5)](4) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

[(6)](5) the name, address, office sought, and party affiliation of—

(A) each candidate whom the committee is supporting; and

(B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

[(7)] a statement whether the committee is a continuing one;

[(8)] the disposition of residual funds which will be made in the event of dissolution;]

[(9)](6) a listing of all banks, safety deposit boxes, or other repositories used; and

[(10)] a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and]

[(11)](7) such other information as shall be required by the Commission.

(c) Information changes; report. Any change in information previously submitted in a statement of organization shall be reported to the Commission within a 10-day period following the change, *except that any change in the information required by subsection (b) (5) need not be reported by a multicandidate committee, as defined in section 441a(a) (4).*

(d) Disbanding of political committees or contributions and expenditures below prescribed ceiling; notice. Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall so notify the Commission.

(e) Committees other than principal campaign committee; filing of reports. In the case of [a] *an authorized* political committees which is not a principal campaign committee, reports and notifications required under this section to be filed with the Commission shall be filed instead with the appropriate principal campaign committee.

§ 434. Reports

[(a)] *Receipts and expenditures: completion date, exception.*

[(1)] Except as provided by paragraph (2), each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by it.

[(The reports referred to in the preceding sentence shall be filed as follows:

[(A) (i) In any calendar year in which an individual is a candidate for Federal office and an election or such Federal office is held in such year, such reports shall be filed not later than the 10th day before the date on which such election is held and shall be complete as of the 15th day before the date

of such election; except that any such report filed by registered or certified mail must be postmarked not later than the close of the 12th day before the date of such election;

[(ii) such reports shall be filed not later than the 30th day after the date of such election and shall be complete as of the 20th day after the date of such election :

[(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed after December 31 of such calendar year, but not later than January 31 of the following calendar year and shall be complete as of the close of the calendar year with respect to which the report is filed.

[(C) Such reports shall be filed not later than the 10th day following the close of any calendar quarter in which the candidate or political committee concerned received contributions in excess of \$1,000, or made expenditures in excess of \$1,000, and shall be complete as of the close of such calendar quarter: except that any such report to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph. In any year in which a candidate is not on the ballot for election to Federal office, such candidate and his authorized committees shall only be required to file such reports not later than the 10th day following the close of any calendar quarter in which the candidate and his authorized committees received contributions and made expenditures, or both, the total amount of which, taken together, exceeds \$5,000, and such reports shall be complete as of the close of such calendar quarter; except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph.

[(D) When the last day for filing any quarterly report required by subparagraph (C) occurs within 10 days of an election the filing of such quarterly report shall be waived and superseded by the report required by subparagraph (A) (i).

[Any contribution of \$1,000 or more received after the 15th day, but more than 48 hours, before any election shall be reported within 48 hours after its receipt.

[(2) Each treasurer of a political committee authorized by a candidate to raise contributions or make expenditures on his behalf, other than the candidate's principal campaign committee, shall file the reports required under this section with the candidate's principal campaign committee.

[(3) Upon a request made by a Presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates set forth in paragraph (1) (other than the reporting date set forth in paragraph (1) (B)), and require instead that such candidate or political committee file reports not less frequently than monthly. The Commission may not require a Presidential

candidate or a political committee operating in more than one State to file more than 12 reports (not counting any report referred to in paragraph (1)(B)) during any calendar year. If the Commission acts on its own motion under this paragraph with respects to a candidate or a political committee, such candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of Title 5, United States Code.】

(a)(1) *Except as otherwise provided in paragraph (2), each treasurer of a political committee registered with the Commission as provided in section 303 and each candidate for election to such office who has not designated a principal campaign committee as provided in section 432(e)(1) shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by such Commission.*

The reports referred to in the preceding sentence shall be filed as follows:

(A) *In any calendar year in which an individual is a candidate for Federal office and an election for such Federal office is held in such year—*

(i) *each political committee authorized by a Presidential candidate to accept contributions or make expenditures on his behalf and which operates in more than one State, each multicandidate political committee or political committee authorized by a Presidential candidate to accept contributions or make expenditures on his behalf with respect to which the Commission has approved a request filed as provided in paragraph (3), and each Presidential candidate who has not designated a principal campaign committee as provided in section 432(e)(1) shall file such reports monthly, as required by the Commission, except that in lieu of filing the report otherwise due in November of such year, a report shall be filed not later than the twelfth day before the date on which such election is held and shall be complete as of the twentieth day before the date of such election;*

(ii) *in any other case, such reports shall be filed not later than the twelfth day before the date on which such election is held and such reports shall be complete as of the twentieth day before the date of any such election, and, in addition thereto, such reports shall be filed not later than the tenth day following the close of each calendar quarter (hereinafter referred to as 'quarterly reports'), such reports to be complete as of the close of such calendar quarter, except that if any report which must be filed prior to any such election is due during the period beginning on the fifth day following the close of any calendar quarter and ending on the fifteenth such day, the quarterly report otherwise due need not be filed;*

(iii) *in addition to the reports required to be filed as provided in clauses (i) and (ii), such reports shall be filed after December 1 of such calendar year, but not later than January 31 of the following calendar year, and shall be complete as of the close of the calendar year with respect to which such reports are filed; but*

(iv) the requirement for the filing of any quarterly report as provided in clause (ii) shall be waived if the candidate or political committee files with the Commission a notification, on a form prescribed or approved by the Commission, not later than the tenth day following the close of the calendar quarter involved, stating that the aggregate amount of contributions received or expenditures made by such candidate or political committee during such calendar quarter did not, taken together, exceed \$1,000.

(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed—

(i) monthly, as required by the Commission, in the case of a multicandidate political committee or political committee authorized by a Presidential candidate to accept contributions or make expenditures on his behalf with respect to which the Commission has approved a request filed as provided in paragraph (3); and

(ii) in any other case, not later than July 10 of such calendar year and shall be complete as of June 30, and after December 31 of such calendar year, but not later than January 31 of the following calendar year, and shall be complete as of the close of the calendar year with respect to which the report is filed; but

(iii) the requirement for the filing of the July 10 report by a candidate or his authorized committees as provided in clause (ii) shall be waived if such candidate or committees file with the Commission a notification, on a form prescribed or approved by the Commission, not later than the 10th day of July, stating that the aggregate amount of contributions received or expenditures made by such candidate or committees during the reporting period did not, taken together, exceed \$5,000; and

(iv) the requirement for the filing of the July 10 report by a political committee which is not the authorized committee of a candidate as provided in clause (ii) shall be waived if such committee files with the Commission a notification, on a form prescribed by the Commission, not later than the 10th of July, stating that the aggregate amount of contributions received or expenditures made by such political committee during the reporting period did not, taken together, exceed \$1,000.

Any contribution of \$1,000 or more made by a political committee after the fifteenth day, but more than forty-eight hours, before any election shall be reported within forty-eight hours after such contribution is made.

(2) Each treasurer of a political committee authorized by a candidate to accept contributions or make expenditures on his behalf, other than the candidate's principal campaign committee, and each candidate who designates a principal campaign committee as provided in section 432(e)(1) shall file the reports required by this section with the candidate's principal campaign committee.

(3) Upon request by any multicandidate political committee or any political committee authorized by a Presidential candidate to accept

contributions or make expenditures on his behalf, the Commission may permit such committee to file monthly reports in any calendar year instead of the reports specified in paragraphs (1)(A)(i) and (1)(B)(ii).

(4) Nothing in this subsection shall be construed to require any delegate or candidate for delegate to any State or national caucus or convention of a political party who is not the treasurer of a political committee or a candidate for election to Federal office to report to the Commission any gift of anything of value or any payment for travel and subsistence expenses incurred in connection with such caucus or convention to the extent that such gift or payment is not a contribution or expenditure under section 431.

(b) Contents of reports. Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of **[\$100]** \$200, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers:

(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of \$100, together with the full names and mailing addresses (occupations and the principal places of business, if any) of the lender, endorser, and guarantors, if any, the date and amount of such loans;

(6) the total amount of proceeds from—

(A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event;

(B) mass collections made at such events; and

(C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt in excess of **[\$100]** \$200 not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period, together with total receipts less transfers between political committees which support the same candidate and which do not support more than one candidate;

(9) the identification of each person to whom expenditures have been made by such committee or on behalf of such committee

or candidate within the calendar year in an aggregate amount or value in excess of ~~[\$100]~~ \$200, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the identification of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of ~~[\$100]~~ \$200 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year, together with total expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate;

(12) the amount and nature debts and obligations owed by or to the committee, in such form as the Commission may prescribe, *and in accordance with section 436(c)*, and a continuous reporting of their debts and obligations after the election at such periods as the Commission may require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor; *but nothing in this paragraph shall require the reporting of a contract, promise, or agreement, whether or not legally enforceable, to make a contribution;*

* * * * *

(e) Contributions or expenditures by person other than political committee or candidate.

[(1) Every person (other than a political committee or candidate) who makes contributions or independent expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 during a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required of a person who makes a contribution in excess of \$100 to a candidate or political committee and the information required of a candidate or political committee receiving such a contribution.

[(2) Statements required by this subsection shall be filed on the dates on which reports by political committees are filed. Such statements shall include (A) the information required by subsection (b)(9), stated in a manner indicating whether the contribution or independent expenditure is in support of, or opposition to, the candidate; and (B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate. Any independent expenditure, including those described in subsection (b)(13), of \$1,000 or more made after the 15th day, but more than 24 hours, before any election

shall be reported within 24 hours of such independent expenditure.]

(1) *Every person (other than a political committee or candidate) who makes independent expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$250 during a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required with respect to a person who makes a contribution in excess of \$200 to a candidate or a political committee and the information required of a candidate or political committee receiving such a contribution.*

(2) *Statements required by this subsection shall be filed on the date specified in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii), whichever is appropriate. Such statements shall include (A) the information required by subsection (b) (9), stated in a manner indicating whether the independent expenditure is in support of, or opposition to, the candidate; (B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and (C) an identification of each person who has made a contribution of more than \$200 to the person filing such statement, which was made for the purpose of furthering an independent expenditure. Any independent expenditure, including those described in subsection (b) (13), of \$1,000 or more made after the twentieth day, but more than twenty-four hours, before any election shall be reported within twenty-four hours after such independent expenditure is made.*

(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all expenditures separately, including those reported under subsection (b) (13), made with respect to each candidate, as reported under this subsection, and for periodically issuing such indices on a timely pre-election basis.

(f) *Reports by delegate or candidate for delegate. Any delegate or candidate for delegate to a convention or caucus of a political party which has authority to nominate a candidate for Federal office shall be subject to the requirements of this section in the same manner as a candidate for election to Federal office; except that such requirements relating to contributions shall not become applicable until such delegate or candidate for delegate receives contributions (exclusive of travel and subsistence) which aggregate in excess of \$2,500 with respect to such convention or caucus, and such requirements relating to expenditures shall not become applicable until such delegate or candidate for delegate makes expenditures (exclusive of travel and subsistence) which aggregate in excess of \$2,500 with respect to such convention or caucus.*

§ 435. Requirements relating to campaign advertising

(a) No person who sells space in a newspaper or magazine to a candidate, or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space

which exceeds the amount charged for comparable use of such space for other purposes.

(b) Each political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

["A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."]

"A copy of our report is filed with and is available for purchase from the Federal Election Commission, Washington, D.C."

§ 436. Formal requirements respecting reports and statements

* * * * *

[(c) Debts, pledges, etc.; separate schedules; aggregate amounts based upon actual payment. The Commission shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.]

(c) Debts, pledges, etc.; separate schedules; aggregate amounts based upon actual payment. The Commission shall, by published regulations of general applicability, prescribe the manner in which expenditures in the nature of debts and other contracts, agreements, and promises to make expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

(d) Postmark as date of filing. If a report or statement required by sections 433, [434(a) (1) (A) (ii), 434(a) (1) (B), 434(a) (1) (C)] 434(a) (1), 434(c), or 434(e) of this title to be filed by a treasurer of a political committee or by a candidate or by any other person, is delivered by registered or certified mail, to the Commission or principal campaign committee with which it is required to be filed, the United States postmark stamped on the cover of the envelope or other container in which such report or statement is so mailed shall be deemed to be the date of filing.

§ 437b. Campaign depositories

(a) (1) Each candidate shall designate one or more national or State banks as his campaign depositories. The principal campaign committee of such candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a single checking account and such other accounts as the committee determines to maintain at its discretion at a depository designated by the candidate and shall deposit any contributions received by such committee into such account. *Any candidate who has not designated a principal campaign committee as provided in section 432(e) (1) shall maintain a single checking account and such other accounts as the candidate determines to maintain at his*

discretion at a depository designated by him and shall deposit any contributions received by such candidate into such account. A candidate shall deposit any payment received by him under chapter 95 or chapter 96 of Title 26 of the United States Code in the account maintained by his principal campaign committee or, in the case of a candidate who has not designated a principal campaign committee as provided in section 432(e)(1), in the account maintained by such candidate. No expenditure may be made by any such committee or candidate on behalf of a candidate or to influence his election except by check drawn on [such account] the appropriate account described in this paragraph, other than petty cash expenditures as provided in subsection (b).

(2) The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more national or State banks as campaign depositories of such committee, and shall maintain a checking account for the committee at each such depository. All contributions received by such committee shall be deposited in such accounts. No expenditure may be made by such committee except by check drawn on such accounts, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or a candidate who has not designated a principal campaign committee as provided in section 432(e)(1) may maintain a petty cash fund out of which [it] such committee or candidate may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports thereof shall be furnished to the Commission as it may require.

(c) A candidate for nomination for election, or for election, to the office of President of the United States may establish one such depository in each State, which shall be considered as his campaign depository for such State by his principal campaign committee and any other political committee authorized by him to receive contributions or to make expenditures on his behalf in such State, or by such candidate if he has not designated a principal campaign committee as provided in section 432(e)(1), under rules prescribed by the Commission. The campaign depository of the candidate of a political party for election to the office of Vice President of the United States shall be the campaign depository designated by the candidate of such party for election to the office of President of the United States.

* * * * *

§ 437c. Federal Election Commission

(a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and six members appointed by the President of the United States, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

* * * * *

(f) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the executive schedule (5 U.S.C. § 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the executive schedule (5 U.S.C. § 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service.

(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of Title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the general schedule (5 U.S.C. § 5332).

(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States Government. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

(4) Notwithstanding the provisions of paragraph (2), the Commission is authorized to appear in and defend against any action instituted under this Act, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

§ 437f. Advisory opinions

(a) The Commission shall render an advisory opinion, in writing, within a reasonable time in response to a written request by any individual holding Federal office, any candidate for Federal office, any political committee, **[or the national committee of any political party]**, *the national committee of any political party, or any other person subject to the provisions of this Act concerning the application of a general rule of law stated in the Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a general rule of law prescribed as a rule or regulation by the Commission, to a specific factual situation. Any such general rule of law not stated in the Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to the procedures established by section 438(c). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.*

§ 437g. Enforcement

(a) (1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred may file a complaint with the Commission. Such complaint shall be in writing, shall be signed and sworn to by the person filing such com-

plaint, and shall be notarized. Any person filing such a complaint shall be subject to the provisions of section 1001 of Title 18, United States Code. The Commission may not conduct any investigation under this section, or take any other action under this section, solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

(2) The Commission upon receiving any complaint under paragraph (1), and if it has reason to believe that any person has committed a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or, if the Commission, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, has reason to believe that such a violation has occurred, shall notify the person involved of such alleged violation and shall make an investigation of such alleged violation in accordance with the provisions of this section.

(3)(A) Any investigation under paragraph (2) shall be conducted expeditiously and shall include an investigation, conducted in accordance with the provisions of this section of reports and statements filed by any complainant under this title if such complainant is a candidate.

(B) Any notification or investigation made under paragraph (2) shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

(4) The Commission shall afford any person who receives notice of an alleged violation under paragraph (2), a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act.

(5)(A) If the Commission determines that there is reasonable cause to believe that any person has committed or is about to commit a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make every endeavor for a period of not less than ~~30~~ 20 days to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with the person involved, except that, if the Commission has reasonable cause to believe that—

(i) any person has failed to file a report required to be filed under section ~~434(a)(1)(C)~~ 434(a)(1)(A) for the calendar quarter occurring immediately before the date of a general election;

(ii) any person has failed to file a report required to be filed no later than ~~10~~ 12 days before an election; or

(iii) on the basis of a complaint filed less than 45 days but more than 10 days before an election, any person has committed a knowing and willful violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954;

the Commission shall make every effort, for a period of not less than one-half the number of days between the date upon which the Commission determines there is reasonable cause to believe such a violation has occurred and the date of the election involved, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with the person involved. A conciliation agreement, unless violated, shall

constitute a complete bar to any further action by the Commission, including the bringing of a civil proceeding under subparagraph (B).

* * * * *

§ 438. Administrative and judicial provisions

(a) Duties. It shall be the duty of the Commission—

* * * * *

(4) Public inspection; copies; sale or use restrictions. To make the reports and statements filed with it available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person [; *Provided*, That any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;], *except that any information copied from such report or statement shall not be sold or utilized by any person for the purpose of soliciting contributions or for any other commercial purpose, but the name and address of any political committee may be utilized for the purpose of soliciting contributions from such committee;*

(5) Preservation of reports and statements. To preserve such reports and statements for a period of 10 years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only 5 years from the date of receipt;

(6) Index of reports and statements; publication in Federal Register. To compile and maintain a cumulative index of reports and statements filed with it, [which shall be published in the Federal Register at regular intervals and] which shall be available for purchase directly or by mail for a reasonable price; and to compile and maintain a separate cumulative index of reports and statements filed with it by political committees supporting more than one candidate, which shall include a listing of the date of the registration of any such political committee and the date upon which any such political committee qualifies to make expenditures under section 441a(a) (2), and which shall be revised on the same basis and at the same time as the other cumulative indices required under this paragraph.

* * * * *

(10) Rules and regulations. To prescribe rules and regulations to carry out the provisions of this chapter, in accordance with the provisions of subsection (c). *In prescribing such rules and regulations, the Commission and the Internal Revenue Service shall consult and work together to promulgate rules and regulations which are mutually consistent. The Commission shall report to the Congress annually on the steps it has taken to comply with this paragraph.*

The Commission shall determine the subject of its audits under paragraph (8) (except those relating to payments received by a candidate under chapter 95 or chapter 96 of the Internal Revenue Code of 1954)

by a random procedure in a manner to be determined by the Commission. No candidate for election or for nomination for election to the Senate or the House of Representatives shall be audited on a random basis by the Commission more than once in any election cycle.

Nothing in this subsection shall prohibit the Commission from conducting audits when it has received a complaint or where it has other information leading it to believe that such an audit is required.

* * * * *

(c) Review of regulations

* * * * *

[(4) For purposes of this subsection, the term “legislative days” does not include, with respect to statements transmitted to the Senate, any calendar day on which the Senate is not in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is not in session, and with respect to statements transmitted to both such bodies, any calendar day on which both Houses of the Congress are not in session.]

(4) For purposes of this subchapter, the term ‘legislative day’ means, with respect to statements transmitted to the Senate, any calendar day on which the Senate is in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is in session.

* * * * *

§ 439. Statements filed with State officers

(a) “Appropriate State” defined. [A copy of each statement required to be filed with the Commission by this chapter shall be a filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State.] A copy of each statement and report required to be filed with the Commission by this Act shall be filed with the Secretary of State (or the equivalent State officer), or if different, the officer of the government of each State who is charged by State law with maintaining State election campaign reports, to be designated by the Governor of that State. The Governor of each State shall notify the Commission of the official so designated. For purposes of this subsection, the term “appropriate State” means—

(1) for statements and reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of President or Vice President of the United States, each State in which an expenditure is made by him or on his behalf, and

(2) for statements and reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, the State in which he seeks election; except that with respect to a multicandidate political committee such term shall only include the State in which such committee is headquartered.

(b) Duties of State officers. It shall be the duty of the [Secretary of State, or the equivalent State officer,] *the Secretary of State (or equivalent State officer), or the officer designated* under subsection (a) of this section—

(1) to receive and maintain in an orderly manner all reports and statements required by this chapter to be filed with him;

[(2) to preserve such reports and statements for a period of 10 years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only 5 years from the date of receipt:]

(2) to preserve such reports and statements (either in the original filed form or in facsimile copy by microfilm or otherwise) for a period of seven years from the date of receipt for candidates for the Senate, for a period of five years from the date of receipt for candidates for President or Vice President, and for a period of three years from the date of receipt for candidates for the House of Representatives;

(3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person; and

[(4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.]

(4) to compile and maintain a current list of all statements and reports, or parts thereof pertaining to each candidate.

§ 439a. Use of contributed amounts for certain purposes

(a) Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of Title 26 of the U.S. Code, or may be used for any other lawful purpose, *including transfers without limitation to any national, State, or local committee of any political party, except that no such amounts may be converted by any person to any personal use.* To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to prescribe such rules as may be necessary to carry out the provisions of this section.

(b) *For purposes of this section, "personal use" does not include the reimbursement of expenses incurred by a Federal officeholder in connection with his official duties.*

* * * * *

§ 441a. Limitations on contributions and expenditures

(a) Contributions by persons and committees.

(1) No person shall make contributions—

(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000;

[(B) to the political committees established and maintained by a national political party, which are not the authorized political committees of any candidate, in any calendar year which, in the aggregate, exceed \$20,000; or]

(B) to the political committees established and maintained by a national political party, in any calendar year, which, in the aggregate, exceeds \$20,000, except that if any Presidential or Vice Presidential candidate designates the national committee of a political party as his principal campaign committee, the limitations in subparagraph (A) shall apply with respect to contributions received as such authorized committee, for which separate books of account shall be maintained; or

(C) to any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

(2) No multicandidate political committee shall make contributions—

(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000;

[(B) to the political committees established and maintained by a national political party, which are not the authorized political committees of any candidates, in any calendar year, which, in the aggregate, exceed \$15,000; or]

(B) to the political committees established and maintained by a national political party, in any calendar year, which, in the aggregate, exceed \$15,000, except that if any Presidential or Vice Presidential candidate designates the national committee of a political party as his principal campaign committee, the limitations in subparagraph (A) shall apply, with respect to contributions received as such authorized committee, for which separate books of account shall be maintained; or

(C) to any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

(3) **[No]** *Except as otherwise provided in section 439a, no individual shall make contributions aggregating more than \$25,000 in any calendar year. For purposes of this paragraph, any contribution made to a candidate in a year other than the calendar year in which the election is held with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held.*

(4) The limitations on contributions contained in paragraphs (1) and (2) do not apply to transfers between and among political committees which are national, State, district, or local committees (including any subordinate committee thereof) of the same political party.

For purposes of paragraph (2), the term "multicandidate political committee" means a political committee which has been registered under section 433 for a period of not less than 6 months, which has received contributions from more than 50 persons, and, except for any State political party organization, has made contributions to 5 or more candidates for Federal office *which aggregate at least \$250 each with respect to at least five such candidates.*

* * * * *

(9) *For purposes of the limitations imposed by this section, a delegate or a candidate for delegate to a convention or caucus of a political party which has authority to nominate a candidate for Federal office shall be deemed to be a candidate for election to Federal office with respect to such convention or caucus.*

* * * * *

(c) Adjustment of limitations based on price index.

(1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percent difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established by [subsection (b) and subsection (d)] *subsections (b), (d), and (i) of this section and by subsection (f) of section 9004 of the Internal Revenue Code of 1954* shall be increased by such percent difference. Each amount so increased shall be the amount in effect for such calendar year.

(2) For purposes of paragraph (1)—

(A) the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

(B) the term "base period" means the calendar year 1974.

(d) Exceptions for national and State committees.

(1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) of this subsection.

(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (e)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

(3) [The] *Except as otherwise provided in paragraph (4), the national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—*

(A) *in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—*

(i) *two cents multiplied by the voting age population of the State (as certified under subsection (e)); or*

(ii) *\$20,000; and*

(B) *in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.*

(4) *Unless the national committee of a political party which has nominated a candidate for President of the United States designates a political committee as provided in subsection (i) within two weeks after such candidate has been nominated by such party or by September 1 of the calendar year in which the election for President is held, whichever is later, the State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of such candidate which do not exceed the greater of \$20,000 or 2 cents multiplied by the voting age population of such State (as certified under subsection (e)). No such State committee or subordinate committee shall accept any transfer from any other State committee or subordinate committee in another State or from the national committee of such political party for the purpose of making expenditures under this paragraph.*

* * * * *

(i) (1) *Any national committee of a political party which has nominated a candidate for President of the United States may designate one political committee in each State which shall be authorized, notwithstanding any other provision of this Act with respect to limitations on expenditures, to accept contributions and to make expenditures in connection with the general election campaign of such candidate. Such expenditures shall not exceed the greater of \$20,000 or 2 cents multiplied by the voting age population of such State (as certified under subsection (e)). No contribution received by such committee pursuant to this subsection may be transferred to any political committee in another State.*

(2) *If such national committee designates a political committee as provided in paragraph (1)—*

(A) *the provisions of subsection (d) (4) shall not apply with respect to such committee;*

(B) *such national committee shall, upon making such designation, file a notice of such designation with the commission and the appropriate State committee of the political party with whom such candidate is affiliated; and*

(C) the committee so designated shall file all reports required under this Act with such candidate's principal campaign committee.

§ 441b. Contributions or expenditures by national banks, corporations, or labor organizations

(a) It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, or for any officer or any director of any corporation or any national bank or any officer of any labor organization to consent to any contribution or expenditure by the corporation, national bank, or labor organization, as the case may be, prohibited by this section.

(b) (1) For the purposes of this section the term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(2) For purposes of this section, and section 12(h) of the Public Utility Holding Company Act (15 U.S.C. 797(h)), the term "contribution or expenditure" shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section; but shall not include—

(A) communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families on any subject;

(B) non-partisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families, or by a labor organization aimed at its members and their families; and

(C) the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock.

(3) It shall be unlawful—

(A) for such a fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment, or by monies obtained in any commercial transaction.

(B) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee of the political purposes of such fund at the time of such solicitation; and

(C) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee, at the time of such solicitation, of his right to refuse to so contribute without any reprisal.

(4) (A) Except as provided in subparagraph (B), (C), and (D), it shall be unlawful—

(i) for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families, and

(ii) for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such a fund from any person other than its members and their families.

(B) It shall not be unlawful under this section for a corporation, a labor organization, or a separate segregated fund established by such corporation or such labor organization, to make 2 written solicitations for contributions during the calendar year from any stockholder executive or administrative personnel, or employee of a corporation or the families of such persons. A solicitation under this subparagraph may be made only by mail addressed to stockholders, executive or administrative personnel, or employees at their residence and shall be so designed that the corporation, labor organization, or separate segregated fund conducting such solicitation cannot determine who makes a contribution of \$50 or less as a result of such solicitation and who does not make such a contribution.

[(C) This paragraph shall not prevent a membership organization, cooperative, or corporation without capital stock, or a separate segregated fund established by a membership organization, cooperative, or corporation without capital stock, from soliciting contributions to such a fund from members of such organization, cooperative, or corporation without capital stock.]

(C) This paragraph shall not prevent a membership organization, cooperative, or corporation without capital stock, or a separate segregated fund established by a membership organization, cooperative, or corporation without capital stock, from soliciting contributions to such a fund from members (including individuals who are members of the member organization which are themselves members of such membership organization, cooperative, or corporation without capital stock) of such organization, cooperative, or corporation without capital stock.

[(D) This paragraph shall not prevent a trade association or a separate segregated fund established by a trade association from

soliciting contributions from the stockholders and executive or administrative personnel of the member corporations of such trade association and the families of such stockholders or personnel to the extent that such solicitation of such stockholders and personnel, and their families, has been separately and specifically approved by the member corporation involved, and such member corporation does not approve any such solicitation by more than one such trade association in any calendar year.】

(D) *This paragraph shall not prevent a trade association or a separate segregated fund established by a trade association from soliciting contributions from the stockholders and executive or administrative personnel of the member corporations of such trade association and from the families of such stockholders or personnel, except that the member corporation involved shall have approved separately and specifically the solicitation of—*

(i) *its stockholders and their families by not more than one trade association in any calendar year, such approval to continue from year to year thereafter unless or until revoked by the member corporation, and*

(ii) *its executive or administrative personnel and their families by not more than one trade association per division (whether incorporated or unincorporated) in any calendar year, such approval to continue from year to year thereafter unless or until revoked by the member corporation.*

* * * * *

(7) For purposes of this section, the term “executive or administrative personnel” means individuals employed by a corporation who are paid on a salary, rather than hourly, basis and who have policy-making, managerial, professional, or supervisory responsibilities, and includes, in the case of a corporation incorporated under a State non-profit corporation Act, directors and trustees of such corporation.

(8) *The name of any separate segregated fund established pursuant to this section shall include the name of the corporation, labor organization, membership organization, cooperative, or corporation without capital stock which established such fund.*

* * * * *

§ 441i. Acceptance of excessive honorariums

No person while an elected or appointed officer or employee of any branch of the Federal Government, *or while a candidate for Federal office, shall accept—*

(1) any honorarium of more than \$2,000 (excluding amounts accepted for actual travel and subsistence expenses for such person and his spouse or an aide to such person, and excluding amounts paid or incurred for any agents’ fees or commissions) for any appearance, speech, or article; or

(2) honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$25,000 in any calendar year.

【§ 455. Period of limitations

【(a) No person shall be prosecuted, tried, or punished for any violation of title III of this Act, unless the indictment is found or

the information is instituted within 3 years after the date of the violation.

[(b) Notwithstanding any other provision of law—

[(1) the period of limitations referred to in subsection (a) shall apply with respect to violations referred to in such subsection committed before, on, or after the effective date of this section; and

[(2) no criminal proceeding shall be instituted against any person for any act or omission which was a violation of any provision of Title III of this Act, as in effect on December 31, 1974, if such act or omission does not constitute a violation of any such provision, as amended by the Federal Election Campaign Act Amendments of 1974.

[Nothing in this subsection shall affect any proceeding pending in any court of the United States on the effective date of this section.]

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TITLE 18 U.S.C. CRIMES AND CRIMINAL PROCEDURE

CHAPTER 29—ELECTIONS AND POLITICAL ACTIVITIES

* * * * *

§ 603. Place of solicitation

[Whoever] (a) *Except as otherwise provided in subsection (b), whoever, in any room or building occupied in the discharge of official duties by any person mentioned in section 602 of this title, or in any navy yard, fort, or arsenal, solicits or receives any contribution of moneys or other thing of value for any political purpose, shall be fined not more than \$5,000 or imprisoned not more than 3 years, or both.*

(b) *Subsection (a) shall not apply to the receipt of any contribution of moneys or other thing or value for any political purpose by two assistants to a Senator of the United States, at least one of whom is in Washington, District of Columbia, who have been designated by that Senator to receive, solicit, be the custodian of, or distribute any funds in connection with any campaign for the nomination for election, or election, of any individual to be a Member of the Senate or to any other Federal office and who are compensated at an annual rate in excess of \$10,000, if such designation has been made in writing and filed with the Secretary of the Senate and if each such assistant files a financial statement in the form provided under rule XLII of the Standing Rules of the United States Senate for each year during which he is designated as provided in this subsection, but the provisions of subsection (a) prohibiting the solicitation in any room or building occupied in the discharge of official duties by any person mentioned in section 602 of this title, or in any navy yard, fort or arsenal of any contribution of moneys or other thing of value for any political purpose, shall apply to such assistants.*

(c) *Subsection (a) shall not apply to any contribution received in the mail and promptly transferred to any account in a campaign depository designated pursuant to section 308 of the Federal Election Campaign Act of 1971.*

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TITLE 26. INTERNAL REVENUE CODE

CHAPTER 1, SUBCHAPTER F—EXEMPT ORGANIZATIONS

§ 527. Political organizations

* * * * *

(f) Exempt organization which is not political organization must include certain amounts in gross income.

(1) In general. If an organization described in section 501(c) which is exempt from tax under section 501(a) expends any amount during the taxable year directly (or through another organization) for an exempt function (within the meaning of subsection (e)(2)), then, notwithstanding any other provision of law, there shall be included in the gross income of such organization for the taxable year, and shall be subject to tax under subsection (b) as if it constituted political organization taxable income, an amount equal to the lesser of—

(A) the net investment income of such organization for the taxable year, or

(B) the aggregate amount so expended during the taxable year for such an exempt function.

(2) Net investment income. For purposes of this subsection, the term “net investment income” means the excess of—

(A) the gross amount of income from interest, dividends, rents, and royalties, plus the excess (if any) of gains from the sale or exchange of assets over the losses from the sale or exchange of assets, over

(B) the deductions allowed by this chapter which are directly connected with the production of the income referred to in subparagraph (A).

For purposes of the preceding sentence, there shall not be taken into account items taken into account for purposes of the tax imposed by section 511 (relating to tax on unrelated business income).

(3) Certain separate segregated funds. For purposes of this subsection and subsection (e)(1), a separate segregated fund (within the meaning of [section 610 of Title 18] *section 441b of the Federal Election Campaign Act of 1971* or of any similar State statute, or within the meaning of any State statute which permits the segregation of dues moneys for exempt functions (within the meaning of subsection (e)(2)) which is maintained by an organization described in section 501(c) which is exempt from tax under section 501(a) shall be treated as a separate organization.

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TITLE 26.—INTERNAL REVENUE CODE

CHAPTER 95—PRESIDENTIAL ELECTION CAMPAIGN FUND

* * * * *

§ 9002. Definitions

(11) The term “qualified campaign expense” means an expense—

(A) incurred—

(i) by the candidate of a political party for the office of President [to further] *in connection with* his election to such office or [to further] *in connection with* the election of the candidate of such political party for the office of Vice President, or both,

(ii) by the candidate of a political party for the office of Vice President [to further] *in connection with* his election to such office or [to further] *in connection with* the election of the candidate of such political party for the office of President, or both, or

(iii) by an authorized committee of the candidates of a political party for the offices of President and Vice President [to further] *in connection with* the election of either or both of such candidates to such offices;

(B) incurred within the expenditure report period (as defined in paragraph (12)), or incurred before the beginning of such period to the extent such expense is for property, services, or facilities used during such period; and

(C) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which such expense is incurred or paid.

An expense shall be considered as incurred by a candidate or an authorized committee if it is incurred by a person authorized by such candidate or such committee, as the case may be, to incur such expense on behalf of such candidate or such committee. If an authorized committee of the candidates of a political party for President and Vice President of the United States also incurs expenses [to further] *in connection with* the election of one or more other individuals to Federal, State, or local elective public office, expenses incurred by such committee which are not specifically [to further] *in connection with* the election of such other individual or individuals shall be considered as incurred to further the election of such candidates for President and Vice President in such proportion as the Commission prescribes by rules or regulations.

* * * * *

§ 9004. Entitlement of eligible candidates to payments

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(f) *Legal and Accounting Costs.*—*In addition to any payments made under subsection (a), the eligible candidates of a political party shall be entitled to payments under section 9006 to defray qualified campaign expenses incurred by such eligible candidates or their authorized committees or to repay loans the proceeds of which were used to defray such qualified campaign expenses, or otherwise to restore funds (other than contributions to defray qualified campaign expenses received and expended by such candidates or such committees) used to defray such qualified campaign expenses, if such qualified campaign expenses represent legal and accounting costs incurred by such candidates for the purpose of insuring compliance with the pro-*

visions of this chapter or of the Federal Election Campaign Act of 1971, in an amount—

(1) equal to not more than \$500,000 in the case of any eligible candidate of a major party in a Presidential election;

(2) which, in the case of any eligible candidate of a minor party in a Presidential election, bears the same ratio to the amount allowed under paragraph (1) for a candidate of a major party as the amounts received by such candidate of a minor party under subsections (a) (2) and (a) (3) bear to the amount allowed to any candidate of a major party under subsection (a) (1); or

(3) which, in the case of any eligible candidate of a new party in a Presidential election, bears the same ratio to the amount allowed under paragraph (1) for any candidate of a major party as the amount received by such candidate of a new party under subsection (a) (3) bears to the amount allowed to any candidate of a major party under subsection (a) (1)

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§ 9007. Examinations and audits; repayments

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(d) Deposit of repayments. All payments received by the Secretary under subsection (b) shall be deposited by him in the [general fund of the Treasury] *Presidential Election Campaign Fund*.

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§ 9009. Reports to Congress; regulations

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(c) Review of regulations.

(1) The Commission, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. Whenever a committee of the House of Representatives reports any resolution relating to any such rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to. The Commission may not prescribe any rule or regulation which is disapproved by either such House under this paragraph.

[(3) For purposes of this subsection, the term "legislative days" does not include any calendar day on which both Houses of the Congress are not in session.]

(3) For purposes of this subsection, the term “legislative day” means, with respect to statements transmitted to the Senate, any calendar day on which the Senate is in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is in session.

(4) For purposes of this subsection, the term “rule or regulation” means a provision or series of interrelated provisions stating a single separable rule of law.

* * * * *

§ 9011. Judicial review

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(b) Suits to implement chapter.

(1) The Commission, the national committee of any political party, and individuals eligible to vote for President are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or [contrue] *construe* [sic] any provision of this chapter.

* * * * *

§ 9012. Criminal penalties

* * * * *

[(f) Unauthorized expenditures and contributions.

(1) Except as provided in paragraph (2), it shall be unlawful for any political committee which is not an authorized committee with respect to the eligible candidates of a political party for President and Vice President in a Presidential election knowingly and willfully to incur expenditures to further the election of such candidates, which would constitute qualified campaign expenses if incurred by an authorized committee of such candidates, in an aggregate amount exceeding \$1,000.

(2) This subsection shall not apply to—

(A) expenditures by a broadcaster regulated by the Federal Communications Commission, or by a periodical publication, in reporting the news or in taking editorial positions; or

(B) expenditures by an organization described in section 501(c) which is exempt from tax under section 501(a) in communicating to its members the views of that organization.

(3) Any political committee which violates paragraph (1) shall be fined not more than \$5,000, and any officer or member of such committee who knowingly and willfully consents to such violation and any other individual who knowingly and willfully violates paragraph (1) shall be fined not more than \$5,000, or imprisoned not more than 1 year, or both.]

[(g) (f) Unauthorized disclosure of information.

(1) It shall be unlawful for any individual to disclose any information obtained under the provisions of this chapter except as may be required by law.

(2) Any person who violates paragraph (1) shall be fined not more than \$5,000, or imprisoned not more than 1 year, or both.

CHAPTER 96—PRESIDENTIAL PRIMARY MATCHING
PAYMENT ACCOUNT

* * * * * * *

§ 9032. Definitions

* * * * * * *

(8) The term “political committee” means any individual, committee, association, or organization (whether or not incorporated) which accepts contributions or incurs qualified campaign expenses for the purpose of influencing, or attempting to influence, the nomination of any [person] *individual* for election to the office of President of the United States.

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S. 1757

SEPTEMBER 17, 1979

Calendar No. 332

96TH CONGRESS
1ST SESSION**S. 1757**

[Report No. 96-319]

To amend the Federal Election Campaign Act of 1971, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17 (legislative day, JUNE 21), 1979

Mr. PELL, from the Committee on Rules and Administration, reported the following bill; which was read twice and ordered to be placed on the calendar

A BILL

To amend the Federal Election Campaign Act of 1971, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*
 3 SECTION 1. This Act may be cited as the "Federal Elec-
 4 tion Campaign Act Amendments of 1979".

1 TITLE I—AMENDMENTS TO FEDERAL ELECTION
2 CAMPAIGN ACT OF 1971

3 CHANGES IN DEFINITIONS

4 SEC. 101. (a) Section 301(e) of the Federal Election
5 Campaign Act of 1971 (2 U.S.C. 431(e)) (hereafter in this
6 Act referred to as the “Act”), is amended—

7 (1) by striking out in paragraph (4) “the national”
8 and inserting in lieu thereof “any political”; and

9 (2) by repealing paragraph (2).

10 (b) Section 301(e)(5) of the Act (2 U.S.C. 431(e)(5)) is
11 amended—

12 (1) by amending subparagraph (B) to read as
13 follows:

14 “(B) the use of real or personal property and
15 the cost of invitations, food, and beverages, volun-
16 tarily provided by an individual to a candidate or
17 a political committee of a political party in ren-
18 dering voluntary personal services on the individ-
19 ual’s residential premises for candidate-related or
20 political party-related activities, to the extent that
21 the cumulative value of such activities by such in-
22 dividual on behalf of any candidate does not
23 exceed \$1,000, and on behalf of any political
24 committee of a political party does not exceed
25 \$2,000 per calendar year;”;

1 (2) by amending subparagraph (C) to read as fol-
2 lows:

3 “(C) the sale of any food or beverage by a
4 vendor for use in a candidate’s campaign or for
5 use by a political committee of a political party at
6 a charge less than the normal comparable charge,
7 if such charge for use in a candidate’s campaign
8 or for use by a political committee of a political
9 party is at least equal to the cost of such food or
10 beverage to the vendor, to the extent that the cu-
11 mulative value of such activities by such vendor
12 on behalf of any candidate does not exceed
13 \$1,000, and on behalf of any political committee
14 of a political party does not exceed \$2,000 per
15 calendar year;”;

16 (3) by amending subparagraph (D) to read as
17 follows:

18 “(D) any unreimbursed payment for travel
19 expenses made by an individual who on his own
20 behalf volunteers his personal services to a candi-
21 date or a political committee of a political party,
22 to the extent that the cumulative amount for such
23 individual incurred with respect to such candidate
24 does not exceed \$1,000, and with respect to such

1 political committee of a political party does not
2 exceed \$2,000 per calendar year;”;

3 (4) by striking out “or” at the end of subpara-
4 graph (H); and

5 (5) by striking out all after the semicolon in sub-
6 paragraph (I) and adding the following:

7 “(J) the unreimbursed payment by a dele-
8 gate, or a candidate for delegate, to a convention
9 or caucus of a political party for costs incurred,
10 including travel and subsistence expenses, in con-
11 nection with the activities of such individual as a
12 delegate or as a candidate for delegate;

13 “(K) funds given by a political committee of
14 a political party to a delegate, or a candidate for
15 delegate, to a convention or caucus of a political
16 party, for costs incurred by such individual in con-
17 nection with the activities of such individual, in-
18 cluding travel and subsistence expenses, as a dele-
19 gate or as a candidate for delegate;

20 “(L) the payment of costs incurred by a
21 State or local political party in sponsoring any
22 party meeting, caucus, or convention held to
23 select delegates to a national nominating conven-
24 tion of a political party;

1 “(M) the payment by a State or local com-
2 mittee of a political party of the costs of campaign
3 materials used in connection with volunteer activi-
4 ties on behalf of a candidate (such as pins, bumper
5 stickers, handbills, pamphlets, posters, and yard
6 signs, but not including the use of broadcasting,
7 newspapers, magazines, billboards, direct mail, or
8 other similar types of general public political ad-
9 vertising) if such payments are made only with
10 funds not designated for a particular candidate; or

11 “(N) the payment by a political party for ac-
12 tivity designed to encourage individuals to register
13 to vote, or to vote; except that any such payment
14 shall be reported in accordance with section
15 304(b).”.

16 (c) Section 301(f)(4) of the Act (2 U.S.C. 431(f)(4)) is
17 amended—

18 (1) by amending subparagraph (D) to read as
19 follows:

20 “(D) the use of real or personal property and
21 the cost of invitations, food, and beverages, volun-
22 tarily provided by an individual to a candidate or
23 a political committee of a political party in ren-
24 dering voluntary personal services on the individ-
25 ual’s residential premises for a candidate-related

1 or political party-related activity, to the extent
2 that the cumulative value of such activity by such
3 individual on behalf of any candidate does not
4 exceed \$1,000, and on behalf of any political
5 committee of a political party does not exceed
6 \$2,000 per calendar year;”;

7 (2) by amending subparagraph (E) to read as
8 follows:

9 “(E) any unreimbursed payment for travel
10 expenses made by an individual who, on his own
11 behalf, volunteers his personal services to a candi-
12 date or a political committee of a political party,
13 to the extent that the cumulative amount for such
14 individual incurred with respect to such candidate
15 does not exceed \$1,000, and with respect to such
16 political committee of a political party does not
17 exceed \$2,000 per calendar year;”;

18 (3) by striking out in subparagraph (J) “the na-
19 tional” and inserting in lieu thereof “any political” and
20 by striking out “or” immediately after the semicolon in
21 such subparagraph;

22 (4) by adding after subparagraph (K) the follow-
23 ing:

24 “(L) the unreimbursed payment by a dele-
25 gate, or a candidate for delegate, to a convention

1 or caucus of a political party for costs incurred,
2 including travel and subsistence expenses, in con-
3 nection with the activities of such individual as a
4 delegate or as a candidate for delegate;

5 “(M) any payment made by a political com-
6 mittee of a political party to a delegate, or a can-
7 didate for delegate, to a convention or caucus of a
8 political party, for costs incurred by such individu-
9 al in connection with the activities, including
10 travel and subsistence expenses, as a delegate or
11 as a candidate for delegate;

12 “(N) any payment made by a State or local
13 political party for costs incurred by the State or
14 local political party in sponsoring any party meet-
15 ing, caucus, or convention held to select delegates
16 to a national nominating convention of a political
17 party;

18 “(O) the payment by a State or local com-
19 mittee of a political party of the costs of campaign
20 materials used in connection with volunteer activi-
21 ties on behalf of a candidate (such as pins, bumper
22 stickers, handbills, pamphlets, posters, and yard
23 signs, but not including the use of broadcasting,
24 newspapers, magazines, billboards, direct mail, or
25 other similar types of general public political ad-

1 vertising) if such payments are made only with
2 funds not earmarked for a particular candidate,
3 but such costs shall be reported in accordance
4 with the requirements of section 304(b); or

5 “(P) the payment by a political party for ac-
6 tivity designed to encourage individuals to register
7 to vote, or to vote; except that any such payment
8 shall be reported in accordance with section
9 304(b).”.

10 (d) Section 301(o) of the Act (2 U.S.C. 431(o)) is
11 amended to read as follows:

12 “(o) ‘Act’ means the Federal Election Campaign
13 Act of 1971 as amended;”.

14 (e) Section 301 of the Act (2 U.S.C. 431) is amended—

15 (1) by striking out “and” at the end of subsection
16 (p);

17 (2) by striking out the period at the end of subsec-
18 tion (q) and inserting “; and”; and

19 (3) by adding at the end thereof the following new
20 subsection:

21 “(r) ‘authorized committee’ means the principal
22 campaign committee or any other political committee
23 designated by a candidate to receive contributions or
24 make expenditures on behalf of such candidate.”.

1 (f) Section 301(f)(1) of the Act (2 U.S.C. 431(f)(1)) is
2 amended by inserting after subparagraph (B) the following:
3 “and for purposes of this subsection a canceled check shall be
4 prima facie evidence that an expense was incurred;”.

5 (g) Section 301(d) of the Act (2 U.S.C. 431(d)) is
6 amended by inserting before the semicolon the following: “;
7 except that any State or local committee of a political party,
8 which committee does not receive contributions in any calen-
9 dar year aggregating more than \$5,000, shall not be included
10 under this subsection”.

11 ORGANIZATION OF POLITICAL COMMITTEES

12 SEC. 102. (a) Section 302(a) of the Act (2 U.S.C.
13 432(a)) is amended—

14 (1) by striking out “chairman or” in the second
15 sentence; and

16 (2) by striking out “chairman or treasurer, or
17 their designated agents” in the third sentence and in-
18 serting in lieu thereof “treasurer, or his designated
19 agent”.

20 (b) Section 302(e) of the Act (2 U.S.C. 432(e)) is
21 amended—

22 (1) by inserting before the period in the first sen-
23 tence in paragraph (1) “or notify the Commission that
24 such individual will not authorize any political commit-

1 tee to receive contributions or make expenditures on
2 his behalf”;

3 (2) by striking out “a” immediately before “politi-
4 cal committee” in paragraph (2) and inserting in lieu
5 thereof “an authorized”; and

6 (3) by adding at the end thereof the following:

7 “(4) The name of each principal campaign committee of
8 a candidate shall include the name of such candidate, but
9 only the principal campaign committee or authorized commit-
10 tee of a candidate may use the candidate’s name in its title.

11 “(5) A candidate shall not be liable for the debts of his
12 principal campaign committee.”.

13 REGISTRATION OF POLITICAL COMMITTEES

14 SEC. 103. (a) Section 303(a) of the Act (2 U.S.C.
15 433(a)) is amended by striking out the last sentence thereof.

16 (b) Section 303(b) of the Act (2 U.S.C. 433(b)) is
17 amended—

18 (1) by striking out paragraph (3) and redesignat-
19 ing paragraphs (4), (5), and (6) as paragraphs (3), (4),
20 and (5), respectively;

21 (2) by striking out paragraphs (7) and (8) and re-
22 designating paragraph (9) as paragraph (6);

23 (3) by adding “and” at the end of paragraph (6),
24 as redesignated in paragraph (2); and

1 (4) by striking out paragraph (10) and redesignat-
2 ing paragraph (11) as paragraph (7).

3 (c) Section 303(c) of the Act (2 U.S.C. 433(c)) is amend-
4 ed by inserting immediately before the period a comma and
5 “except that any change in the information required by sub-
6 section (b)(5) need not be reported by a multicandidate com-
7 mittee, as defined in section 320(a)(4)”.

8 (d) Section 303(e) of the Act (2 U.S.C. 433(e)) is
9 amended by striking out “a” immediately before “political
10 committee” and inserting in lieu thereof “an authorized”.

11

REPORTS

12 SEC. 104. (a) Section 304(a) of the Act (2 U.S.C.
13 434(a)) is amended to read as follows:

14 “(a)(1) Except as otherwise provided in paragraph (2),
15 each treasurer of a political committee registered with the
16 Commission as provided in section 303 and each candidate
17 for election to such office who has not designated a principal
18 campaign committee as provided in section 302(e)(1) shall file
19 with the Commission reports of receipts and expenditures on
20 forms to be prescribed or approved by such Commission.

21 “The reports referred to in the preceding sentence shall
22 be filed as follows:

23 “(A) In any calendar year in which an individual is a
24 candidate for Federal office and an election for such Federal
25 office is held in such year—

1 “(i) each political committee authorized by a
2 Presidential candidate to accept contributions or make
3 expenditures on his behalf and which operates in more
4 than one State, each multicandidate political committee
5 or political committee authorized by a Presidential can-
6 didate to accept contributions or make expenditures on
7 his behalf with respect to which the Commission has
8 approved a request filed as provided in paragraph (3),
9 and each Presidential candidate who has not designat-
10 ed a principal campaign committee as provided in sec-
11 tion 302(e)(1) shall file such reports monthly, as re-
12 quired by the Commission, except that in lieu of filing
13 the report otherwise due in November of such year, a
14 report shall be filed not later than the twelfth day
15 before the date on which such election is held and shall
16 be complete as of the twentieth day before the date of
17 such election;

18 “(ii) in any other case, such reports shall be filed
19 not later than the twelfth day before the date on which
20 such election is held and such reports shall be complete
21 as of the twentieth day before the date of any such
22 election, and, in addition thereto, such reports shall be
23 filed not later than the tenth day following the close of
24 each calendar quarter (hereinafter referred to as ‘quar-
25 terly reports’), such reports to be complete as of the

1 close of such calendar quarter, except that if any
2 report which must be filed prior to any such election is
3 due during the period beginning on the fifth day follow-
4 ing the close of any calendar quarter and ending on the
5 fifteenth such day, the quarterly report otherwise due
6 need not be filed;

7 “(iii) in addition to the reports required to be filed
8 as provided in clauses (i) and (ii), such reports shall be
9 filed after December 1 of such calendar year, but not
10 later than January 31 of the following calendar year,
11 and shall be complete as of the close of the calendar
12 year with respect to which such reports are filed; but

13 “(iv) the requirement for the filing of any quarter-
14 ly report as provided in clause (ii) shall be waived if
15 the candidate or political committee files with the
16 Commission a notification, on a form prescribed or ap-
17 proved by the Commission, not later than the tenth
18 day following the close of the calendar quarter in-
19 volved, stating that the aggregate amount of contribu-
20 tions received or expenditures made by such candidate
21 or political committee during such calendar quarter did
22 not, taken together, exceed \$1,000.

23 “(B) In any other calendar year in which an individual
24 is a candidate for Federal office, such reports shall be filed—

1 “(i) monthly, as required by the Commission, in
2 the case of a multicandidate political committee or po-
3 litical committee authorized by a Presidential candidate
4 to accept contributions or make expenditures on his
5 behalf with respect to which the Commission has ap-
6 proved a request filed as provided in paragraph (3);
7 and

8 “(ii) in any other case, not later than July 10 of
9 such calendar year and shall be complete as of June
10 30, and after December 31 of such calendar year, but
11 not later than January 31 of the following calendar
12 year, and shall be complete as of the close of the cal-
13 endar year with respect to which the report is filed;
14 but

15 “(iii) the requirement for the filing of the July 10
16 report by a candidate or his authorized committees as
17 provided in clause (ii) shall be waived if such candidate
18 or committees file with the Commission a notification,
19 on a form prescribed or approved by the Commission,
20 not later than the tenth day of July, stating that the
21 aggregate amount of contributions received or expendi-
22 tures made by such candidate or committees during the
23 reporting period did not, taken together, exceed
24 \$5,000; and

1 “(iv) the requirement for the filing of the July 10
2 report by a political committee which is not the au-
3 thorized committee of a candidate as provided in clause
4 (ii) shall be waived if such committee files with the
5 Commission a notification, on a form prescribed by the
6 Commission, not later than the tenth of July, stating
7 that the aggregate amount of contributions received or
8 expenditures made by such political committee during
9 the reporting period did not, taken together, exceed
10 \$1,000.

11 Any contribution of \$1,000 or more made by a political com-
12 mittee after the fifteenth day, but more than forty-eight
13 hours, before any election shall be reported within forty-eight
14 hours after such contribution is made.

15 “(2) Each treasurer of a political committee authorized
16 by a candidate to accept contributions or make expenditures
17 on his behalf, other than the candidate’s principal campaign
18 committee, and each candidate who designates a principal
19 campaign committee as provided in section 302(e)(1) shall file
20 the reports required by this section with the candidate’s prin-
21 cipal campaign committee.

22 “(3) Upon request by any multicandidate political com-
23 mittee or any political committee authorized by a Presidential
24 candidate to accept contributions or make expenditures on his
25 behalf, the Commission may permit such committee to file

1 monthly reports in any calendar year instead of the reports
2 specified in paragraphs (1)(A)(i) and (1)(B)(ii).

3 “(4) Nothing in this subsection shall be construed to re-
4 quire any delegate or candidate for delegate to any State or
5 national caucus or convention of a political party who is not
6 the treasurer of a political committee or a candidate for elec-
7 tion to Federal office to report to the Commission any gift of
8 anything of value or any payment for travel and subsistence
9 expenses incurred in connection with such caucus or conven-
10 tion to the extent that such gift or payment is not a contribu-
11 tion or expenditure under section 301.”.

12 (b) Section 304(b) of the Act (2 U.S.C. 434(b)) is
13 amended by striking out “\$100” in paragraphs (2), (7), (9),
14 and (10) each place it appears and inserting in lieu thereof
15 “\$200”.

16 (c) Section 304(e) of the Act (2 U.S.C. 434(e)) is amend-
17 ed by striking out paragraphs (1) and (2) and inserting in lieu
18 thereof the following:

19 “(1) Every person (other than a political commit-
20 tee or candidate) who makes independent expenditures
21 expressly advocating the election or defeat of a clearly
22 identified candidate, other than by contribution to a po-
23 litical committee or candidate, in an aggregate amount
24 in excess of \$250 during a calendar year shall file with
25 the Commission, on a form prepared by the Commis-

1 sion, a statement containing the information required
2 with respect to a person who makes a contribution in
3 excess of \$200 to a candidate or a political committee
4 and the information required of a candidate or political
5 committee receiving such a contribution.

6 “(2) Statements required by this subsection shall
7 be filed on the date specified in subsection (a)(1)(A)(ii)
8 or (a)(1)(B)(ii), whichever is appropriate. Such state-
9 ments shall include (A) the information required by
10 subsection (b)(9), stated in a manner indicating whether
11 the independent expenditure is in support of, or opposi-
12 tion to, the candidate; (B) under penalty of perjury, a
13 certification whether such independent expenditure is
14 made in cooperation, consultation, or concert with, or
15 at the request or suggestion of, any candidate or any
16 authorized committee or agent of such candidate; and
17 (C) an identification of each person who has made a
18 contribution of more than \$200 to the person filing
19 such statement, which was made for the purpose of
20 furthering an independent expenditure. Any independ-
21 ent expenditure, including those described in subsection
22 (b)(13), of \$1,000 or more made after the twentieth
23 day, but more than twenty-four hours, before any elec-
24 tion shall be reported within twenty-four hours after
25 such independent expenditure is made.”

1 (d) Section 304(b)(12) of the Act (2 U.S.C. 434(b)(12)) is
2 amended by inserting “, and in accordance with section
3 306(c),” after “may prescribe” and by inserting before the
4 semicolon the following: “; but nothing in this paragraph
5 shall require the reporting of a contract, promise, or
6 agreement, whether or not legally enforceable, to make a
7 contribution”.

8 REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

9 SEC. 105. Section 305(b) of the Act (2 U.S.C. 435(b)) is
10 amended by striking out the material in quotation marks and
11 inserting in lieu thereof the following: “A copy of our report
12 is filed with and is available for purchase from the Federal
13 Election Commission, Washington, D.C.”.

14 FORMAL REQUIREMENTS RESPECTING REPORTS AND
15 STATEMENTS

16 SEC. 106. (a) Section 306(c) of the Act (2 U.S.C.
17 436(c)) is amended to read as follows:

18 “(c) Debts, pledges, etc.; separate schedules; aggregate
19 amounts based upon actual payment. The Commission shall,
20 by published regulations of general applicability, prescribe
21 the manner in which expenditures in the nature of debts and
22 other contracts, agreements, and promises to make expendi-
23 tures shall be reported. Such regulations shall provide that
24 they be reported in separate schedules. In determining aggre-
25 gate amounts of expenditures, amounts reported as provided

1 in such regulations shall not be considered until actual pay-
2 ment is made.”.

3 (b) Section 306(d) of the Act (2 U.S.C. 436(d)) is
4 amended by striking out “304(a)(1)(A)(ii), 304(a)(1)(B),
5 304(a)(1)(C),” and inserting in lieu thereof “304(a)(1),”.

6 CAMPAIGN DEPOSITORIES

7 SEC. 107. (a) Section 308(a)(1) of the Act (2 U.S.C.
8 437b(a)(1)) is amended—

9 (1) by inserting immediately after the second sen-
10 tence the following: “Any candidate who has not des-
11 ignated a principal campaign committee as provided in
12 section 302(e)(1) shall maintain a single checking ac-
13 count and such other accounts as the candidate deter-
14 mines to maintain at his discretion at a depository des-
15 ignated by him and shall deposit any contributions re-
16 ceived by such candidate into such account.”;

17 (2) by inserting “or, in the case of a candidate
18 who has not designated a principal campaign commit-
19 tee as provided in section 302(e)(1), in the account
20 maintained by such candidate” immediately before the
21 period in the fourth sentence, taking into account the
22 amendment made in paragraph (1) of this subsection;
23 and

24 (3) by inserting “or candidate” immediately after
25 “committee” in the fifth sentence, taking into account

1 the amendment made in paragraph (1) of this subsec-
2 tion, and striking out "such account," in such sentence
3 and inserting in lieu thereof "the appropriate account
4 described in this paragraph,".

5 (b) Section 308(b) of the Act (2 U.S.C. 437b(b)) is
6 amended—

7 (1) by inserting "or a candidate who has not des-
8 ignated a principal campaign committee as provided in
9 section 302(e)(1)" immediately after "committee" in
10 the first sentence; and

11 (2) by striking out "it" in the first sentence
12 and inserting in lieu thereof "such committee or
13 candidate".

14 (c) Section 308(c) of the Act (2 U.S.C. 437b(c)) is
15 amended by inserting "or by such candidate if he has not
16 designated a principal campaign committee as provided in
17 section 302(e)(1)," immediately before "under" in the first
18 sentence.

19 **ENFORCEMENT**

20 **SEC. 108.** Section 313(a)(5)(A) of the Act (2 U.S.C.
21 437g(a)(5)(A)) is amended—

22 (1) by striking out "30" and inserting in lieu
23 thereof "20";

1 ADMINISTRATIVE AND JUDICIAL PROVISIONS

2 SEC. 111. (a) Section 315(a)(4) of the Act (2 U.S.C.
3 438(a)(4)) is amended by striking out the colon and the provi-
4 so and inserting in lieu thereof a comma and "except that
5 any information copied from such report or statement shall
6 not be sold or utilized by any person for the purpose of solici-
7 ting contributions or for any other commercial purpose, but
8 the name and address of any political committee may be uti-
9 lized for the purpose of soliciting contributions from such
10 committee;"

11 (b) Section 315(a) of the Act (2 U.S.C. 438(a)) is
12 amended by adding at the end thereof the following:

13 "The Commission shall determine the subject of its
14 audits under paragraph (8) (except those relating to payments
15 received by a candidate under chapter 95 or chapter 96 of
16 the Internal Revenue Code of 1954) by a random procedure
17 in a manner to be determined by the Commission. No candi-
18 date for election or for nomination for election to the Senate
19 or the House of Representatives shall be audited on a
20 random basis by the Commission more than once in any elec-
21 tion cycle.

22 "Nothing in this subsection shall prohibit the Commis-
23 sion from conducting audits when it has received a complaint
24 or where it has other information leading it to believe that
25 such an audit is required."

1 (c) Section 315(a)(10) of the Act (2 U.S.C. 438(a)(10)) is
2 amended by inserting at the end thereof the following: "In
3 prescribing such rules and regulations, the Commission and
4 the Internal Revenue Service shall consult and work
5 together to promulgate rules and regulations which are mutu-
6 ally consistent. The Commission shall report to the Congress
7 annually on the steps it has taken to comply with this para-
8 graph."

9 (d) Section 315(c)(4) of the Act (2 U.S.C. 438(c)(4)) is
10 amended to read as follows:

11 "(4) For purposes of this subsection, the term 'legisla-
12 tive day' means, with respect to statements transmitted to
13 the Senate, any calendar day on which the Senate is in ses-
14 sion, and with respect to statements transmitted to the
15 House of Representatives, any calendar day on which the
16 House of Representatives is in session."

17 (e) Section 315(a)(6) of the Act (2 U.S.C. 438(a)(6)) is
18 amended by striking out "which shall be published in the
19 Federal Register at regular intervals and".

20 STATEMENTS FILED WITH STATE OFFICERS

21 SEC. 112. (a) Section 316(a) of the Act (2 U.S.C.
22 439(a)) is amended—

23 (1) by striking out the first sentence and inserting
24 in lieu thereof the following: "A copy of each state-
25 ment and report required to be filed with the Commis-

1 sion by this Act shall be filed with the Secretary of
2 State (or the equivalent State officer), or if different,
3 the officer of the government of each State who is
4 charged by State law with maintaining State election
5 campaign reports, to be designated by the Governor of
6 that State. The Governor of each State shall notify the
7 Commission of the official so designated.”;

8 (2) by inserting “statements and” immediately
9 before “reports” each place it appears in paragraphs
10 (1) and (2); and

11 (3) by inserting before the period at the end of
12 paragraph (2) the following: “; except that with respect
13 to a multicandidate political committee such term shall
14 only include the State in which such committee is
15 headquartered”.

16 (b) Section 316(b) of the Act (2 U.S.C. 439(b)) is
17 amended—

18 (1) by striking out “Secretary of State, or the
19 equivalent State officer,” and inserting in lieu thereof
20 the following: “the Secretary of State (or equivalent
21 State officer), or the officer designated”;

22 (2) by striking out paragraph (2) and inserting in
23 lieu thereof the following:

24 “(2) to preserve such reports and statements
25 (either in the original filed form or in facsimile copy by

1 microfilm or otherwise) for a period of seven years
2 from the date of receipt for candidates for the Senate,
3 for a period of five years from the date of receipt for
4 candidates for President or Vice President, and for a
5 period of three years from the date of receipt for candi-
6 dates for the House of Representatives;"; and

7 (3) by striking out paragraph (4) and inserting in
8 lieu thereof the following:

9 "(4) to compile and maintain a current list of all
10 statements and reports, or parts thereof, pertaining to
11 each candidate."

12 **USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES**

13 **SEC. 113.** Section 317 of the Act (2 U.S.C. 439a) is
14 amended—

15 (1) by inserting "(a)" immediately before
16 "Amounts";

17 (2) by inserting immediately before the period in
18 the first sentence a comma and "including transfers
19 without limitation to any national, State, or local com-
20 mittee of any political party, except that no such
21 amounts may be converted by any person to any per-
22 sonal use"; and

23 (3) by adding at the end thereof the following:

1 “(b) For purposes of this section, ‘personal use’ does not
2 include the reimbursement of expenses incurred by a Federal
3 officeholder in connection with his official duties.”.

4 LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

5 SEC. 114. (a) Section 320(a) of the Act (2 U.S.C.
6 441a(a)) is amended—

7 (1) by striking out paragraph (1)(B) and inserting
8 in lieu thereof the following:

9 “(B) to the political committees established and
10 maintained by a national political party, in any calen-
11 dar year, which, in the aggregate, exceeds \$20,000,
12 except that if any Presidential or Vice-Presidential
13 candidate designates the national committee of a politi-
14 cal party as his principal campaign committee, the
15 limitations in subparagraph (A) shall apply with respect
16 to contributions received as such authorized committee,
17 for which separate books of account shall be main-
18 tained; or”;

19 (2) by striking out paragraph (2)(B) and inserting
20 in lieu thereof the following:

21 “(B) to the political committees established and
22 maintained by a national political party, in any calen-
23 dar year, which, in the aggregate, exceed \$15,000,
24 except that if any Presidential or Vice-Presidential
25 candidate designates the national committee of a politi-

1 cal party as his principal campaign committee, the
2 limitations in subparagraph (A) shall apply with respect
3 to contributions received as such authorized committee,
4 for which separate books of account shall be main-
5 tained; or”;

6 (3) by inserting “which aggregate at least \$250
7 each with respect to at least five such candidates” in
8 the second sentence of paragraph (4) immediately
9 before the period; and

10 (4) by striking out “No” in paragraph (3) and in-
11 serting in lieu thereof “Except as otherwise provided
12 in section 317, no”.

13 (b) Section 320(c)(1) of the Act (2 U.S.C. 441a(c)(1)) is
14 amended by striking out “subsection (b) and subsection (d)”
15 and inserting in lieu thereof “subsections (b), (d), and (i) of
16 this section and by subsection (f) of section 9004 of the Inter-
17 nal Revenue Code of 1954”.

18 (c) Section 320(d) of the Act (2 U.S.C. 441a(d)) is
19 amended—

20 (1) by striking out “The” in paragraph (3) and in-
21 serting in lieu thereof “Except as otherwise provided
22 in paragraph (4), the”; and

23 (2) by adding at the end thereof the following:

24 “(4) Unless the national committee of a political party
25 which has nominated a candidate for President of the United

1 States designates a political committee as provided in subsec-
2 tion (i) within two weeks after such candidate has been nomi-
3 nated by such party or by September 1 of the calendar year
4 in which the election for President is held, whichever is later,
5 the State committee of a political party, including any subor-
6 dinate committee of a State committee, may make expendi-
7 tures in connection with the general election campaign of
8 such candidate which do not exceed the greater of \$20,000
9 or 2 cents multiplied by the voting age population of such
10 State (as certified under subsection (e)). No such State com-
11 mittee or subordinate committee shall accept any transfer
12 from any other State committee or subordinate committee in
13 another State or from the national committee of such political
14 party for the purpose of making expenditures under this
15 paragraph.”.

16 (d) Section 320 of the Act (2 U.S.C. 441a) is amended
17 by adding at the end thereof the following:

18 “(i)(1) Any national committee of a political party which
19 has nominated a candidate for President of the United States
20 may designate one political committee in each State which
21 shall be authorized, notwithstanding any other provision of
22 this Act with respect to limitations on expenditures, to accept
23 contributions and to make expenditures in connection with
24 the general election campaign of such candidate. Such ex-
25 penditures shall not exceed the greater of \$20,000 or 2 cents

1 multiplied by the voting age population of such State (as cer-
2 tified under subsection (e)). No contribution received by such
3 committee pursuant to this subsection may be transferred to
4 any political committee in another State.

5 “(2) If such national committee designates a political
6 committee as provided in paragraph (1)—

7 “(A) the provisions of subsection (d)(4) shall not
8 apply with respect to such national committee;

9 “(B) such national committee shall, upon making
10 such designation, file a notice of such designation with
11 the Commission and the appropriate State committee
12 of the political party with whom such candidate is af-
13 filiated; and

14 “(C) the committee so designated shall file all re-
15 ports required under this Act with such candidate’s
16 principal campaign committee.”.

17 CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS,
18 CORPORATIONS, OR LABOR ORGANIZATIONS

19 SEC. 115. Section 321(b) of the Act (2 U.S.C. 441b(b))
20 is amended—

21 (1) by amending paragraph (4)(C) to read as fol-
22 lows:

23 “(C) This paragraph shall not prevent a membership or-
24 ganization, cooperative, or corporation without capital stock,
25 or a separate segregated fund established by a membership

1 organization, cooperative, or corporation without capital
2 stock, from soliciting contributions to such a fund from mem-
3 bers (including individuals who are members of the member
4 organizations which are themselves members of such mem-
5 bership organization, cooperative, or corporation without
6 capital stock) of such organization, cooperative, or corpora-
7 tion without capital stock.”;

8 (2) by amending paragraph (4)(D) to read as fol-
9 lows:

10 “(D) This paragraph shall not prevent a trade associ-
11 ation or a separate segregated fund established by a trade
12 association from soliciting contributions from the stockholders
13 and executive or administrative personnel of the member cor-
14 porations of such trade association and from the families of
15 such stockholders or personnel, except that the member cor-
16 poration involved shall have approved separately and specifi-
17 cally the solicitation of—

18 “(i) its stockholders and their families by not more
19 than one trade association in any calendar year, such
20 approval to continue from year to year thereafter
21 unless or until revoked by the member corporation, and

22 “(ii) its executive or administrative personnel and
23 their families by not more than one trade association
24 per division (whether incorporated or unincorporated)
25 in any calendar year, such approval to continue from

1 year to year thereafter unless or until revoked by the
2 member corporation.”;

3 (3) by adding before the period at the end of para-
4 graph (7) the following: “, and includes, in the case of
5 a corporation incorporated under a State nonprofit cor-
6 poration Act, directors and trustees of such corpora-
7 tion”; and

8 (4) by adding at the end thereof the following:

9 “(8) The name of any separate segregated fund estab-
10 lished pursuant to this section shall include the name of the
11 corporation, labor organization, membership organization, co-
12 operative, or corporation without capital stock which estab-
13 lished such fund.”.

14 **STATUTE OF LIMITATIONS**

15 **SEC. 116.** (a) Section 406 of the Federal Election Cam-
16 paign Act of 1971 (2 U.S.C. 455) is repealed.

17 (b) The repeal made by subsection (a) applies with re-
18 spect to the prosecution of violations occurring after the date
19 which is three years before the date of enactment of this Act.

20 **ACCEPTANCE OF EXCESSIVE HONORARIUMS**

21 **SEC. 117.** Section 328(a) of the Act (2 U.S.C. 441i(a))
22 is amended by inserting “, or while a candidate for Federal
23 office,” after “Federal Government”.

1 DELEGATES AND CANDIDATES FOR DELEGATE

2 SEC. 118. (a) Section 320(a) of the Act (2 U.S.C.
3 441a(a)) is amended by adding at the end thereof the follow-
4 ing new paragraph:

5 “(9) For purposes of the limitations imposed by this sec-
6 tion, a delegate or a candidate for delegate to a convention or
7 caucus of a political party which has authority to nominate a
8 candidate for Federal office shall be deemed to be a candidate
9 for election to Federal office with respect to such convention
10 or caucus.”.

11 (b) Section 304 of the Act (2 U.S.C. 434) is amended by
12 adding at the end thereof the following new subsection:

13 “(f) **REPORTS BY DELEGATE OR CANDIDATE FOR**
14 **DELEGATE.**—Any delegate or candidate for delegate to a
15 convention or caucus of a political party which has authority
16 to nominate a candidate for Federal office shall be subject to
17 the requirements of this section in the same manner as a
18 candidate for election to Federal office; except that such re-
19 quirements relating to contributions shall not become applica-
20 ble until such delegate or candidate for delegate receives con-
21 tributions (exclusive of travel and subsistence) which aggre-
22 gate in excess of \$2,500 with respect to such convention or
23 caucus, and such requirements relating to expenditures shall
24 not become applicable until such delegate or candidate for
25 delegate makes expenditures (exclusive of travel and subsist-

1 ence) which aggregate in excess of \$2,500 with respect to
2 such convention or caucus.”.

3 TITLE II—AMENDMENTS TO INTERNAL
4 REVENUE CODE OF 1954

5 ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

6 SEC. 201. Section 9004 of the Internal Revenue Code
7 of 1954 (relating to entitlement of eligible candidates to pay-
8 ments) is amended by adding at the end thereof the following:

9 “(f) LEGAL AND ACCOUNTING COSTS.—In addition to
10 any payments made under subsection (a), the eligible candi-
11 dates of a political party shall be entitled to payments under
12 section 9006 to defray qualified campaign expenses incurred
13 by such eligible candidates or their authorized committees or
14 to repay loans the proceeds of which were used to defray
15 such qualified campaign expenses, or otherwise to restore
16 funds (other than contributions to defray qualified campaign
17 expenses received and expended by such candidates or such
18 committees) used to defray such qualified campaign expenses,
19 if such qualified campaign expenses represent legal and ac-
20 counting costs incurred by such candidates for the purpose of
21 insuring compliance with the provisions of this chapter or of
22 the Federal Election Campaign Act of 1971, in an amount—

23 “(1) equal to not more than \$500,000 in the case
24 of any eligible candidate of a major party in a Presi-
25 dential election;

1 “(2) which, in the case of any eligible candidate of
2 a minor party in a Presidential election, bears the
3 same ratio to the amount allowed under paragraph (1)
4 for a candidate of a major party as the amounts re-
5 ceived by such candidate of a minor party under sub-
6 sections (a)(2) and (a)(3) bear to the amount allowed to
7 any candidate of a major party under subsection (a)(1);
8 or

9 “(3) which, in the case of any eligible candidate of
10 a new party in a Presidential election, bears the same
11 ratio to the amount allowed under paragraph (1) for
12 any candidate of a major party as the amount received
13 by such candidate of a new party under subsection
14 (a)(3) bears to the amount allowed to any candidate of
15 a major party under subsection (a)(1).”.

16 REPORTS TO CONGRESS; REGULATIONS

17 SEC. 202. Sections 9009(c)(3) and 9039(c)(3) of the In-
18 ternal Revenue Code of 1954 (relating to review of regula-
19 tions) are each amended to read as follows:

20 “(3) For purposes of this subsection, the term
21 ‘legislative day’ means, with respect to statements
22 transmitted to the Senate, any calendar day on which
23 the Senate is in session, and with respect to state-
24 ments transmitted to the House of Representatives,

1 any calendar day on which the House of Representa-
2 tives is in session.”.

3 **CRIMINAL PENALTIES**

4 **SEC. 203.** Section 9012 of the Internal Revenue Code
5 of 1954 (relating to criminal penalties) is amended—

6 (1) by striking out subsection (f); and

7 (2) by redesignating subsection (g) as subsection
8 (f).

9 **TECHNICAL AMENDMENTS**

10 **SEC. 204.** (a) Section 527(f)(3) of the Internal Revenue
11 Code of 1954 (relating to certain separate segregated funds)
12 is amended by striking out “section 610 of title 18” and in-
13 serting in lieu thereof “section 321 of the Federal Election
14 Campaign Act of 1971”.

15 (b) Section 9011(b) of the Internal Revenue Code of
16 1954 (relating to suits to implement chapter) is amended by
17 striking out “contrue” and inserting in lieu thereof
18 “construe”.

19 (c) Section 9002(11) of such Code (relating to definition
20 of qualified campaign expense) is amended by striking out “to
21 further” each place it appears and inserting in lieu thereof in
22 each instance “in connection with”.

23 (d) Section 9032(8) of such Code (relating to definition
24 of political committee) is amended by striking out “person”
25 and inserting “individual”.

1 EXAMINATIONS AND AUDITS; REPAYMENTS

2 SEC. 205. Section 9007(d) of the Internal Revenue
3 Code of 1954 (relating to deposit of repayments) is amended
4 by striking out “general fund of the Treasury” and inserting
5 in lieu thereof “Presidential Election Campaign Fund”.

6 TITLE III—MISCELLANEOUS

7 SEC. 301. Section 603 of title 18, United States Code,
8 is amended—

9 (1) by striking out “Whoever” and inserting in
10 lieu thereof “(a) Except as otherwise provided in sub-
11 section (b), whoever”; and

12 (2) by adding at the end thereof the following:

13 “(b) Subsection (a) shall not apply to the receipt of any
14 contribution of moneys or other thing of value for any politi-
15 cal purpose by two assistants to a Senator of the United
16 States, at least one of whom is in Washington, District of
17 Columbia, who have been designated by that Senator to re-
18 ceive, solicit, be the custodian of, or distribute any funds in
19 connection with any campaign for the nomination for elec-
20 tion, or election, of any individual to be a Member of the
21 Senate or to any other Federal office and who are compen-
22 sated at an annual rate in excess of \$10,000, if such designa-
23 tion has been made in writing and filed with the Secretary of
24 the Senate and if each such assistant files a financial state-
25 ment in the form provided under rule XLII of the Standing

1 Rules of the United States Senate for each year during which
2 he is designated as provided in this subsection, but the provi-
3 sions of subsection (a) prohibiting the solicitation in any room
4 or building occupied in the discharge of official duties by any
5 person mentioned in section 602 of this title, or in any navy
6 yard, fort, or arsenal of any contribution of moneys or other
7 thing of value for any political purpose, shall apply to such
8 assistants.

9 “(c) Subsection (a) shall not apply to any contribution
10 received in the mail and promptly transferred to any account
11 in a campaign depository designated pursuant to section 308
12 of the Federal Election Campaign Act of 1971.”.

13

VOTING SYSTEM STUDY

14 SEC. 302. The Federal Election Commission, with the
15 cooperation and assistance of the National Bureau of Stand-
16 ards, shall conduct a preliminary study with respect to the
17 future development of voluntary engineering and procedural
18 performance standards for voting systems used in the United
19 States. The Commission shall report to the Congress the re-
20 sults of the study, and such report shall include recommenda-
21 tions, if any, for the implementation of a program of such
22 standards (including estimates of the costs and time require-
23 ments of implementing such a program).

Calendar No. 332

96TH CONGRESS
1ST SESSION

S. 1757

[Report No. 96-319]

A BILL

To amend the Federal Election Campaign Act of
1971, and for other purposes.

SEPTEMBER 17 (legislative day, JUNE 21), 1979

Read twice and ordered to be placed on the calendar

SENATE FLOOR
DEBATE
ON
H.R. 5010

DECEMBER 17, 18, 1979

lic or the common defense and security, and upon a determination that the unauthorized disclosure of such information could have a significant adverse effect on the health and safety of the public or the common defense and security by facilitating theft, diversion, or sabotage of such material or such facility. Any person, whether or not a licensee of the Commission, who violates any regulation adopted under this section shall be subject to the civil monetary penalties of section 234 of this Act. Nothing in this section shall be construed to authorize the withholding of information from the duly authorized committees of the Congress.

"b. For the purposes of section 223 of this Act, any regulations or orders prescribed or issued by the Commission under this section shall also be deemed to be prescribed or issued under section 162 b. of this Act."

(2) The table of contents for such Act is amended by inserting the following new item after the item relating to section 146: "Sec. 147. Safeguards information."

(b) Section 181 of the Atomic Energy Act of 1954 is amended—

(1) by striking out "or defense information" the first time it appears and substituting "defense information, or safeguards information protected from disclosure under the authority of section 147", and,

(2) by striking out "or defense information" in each other place it appears in such section and substituting "defense information, or such safeguards information".

Sec. 303. (a) The Atomic Energy Act of 1954 is amended by adding a new section to read as follows:

"SEC. 235. SABOTAGE OF NUCLEAR FACILITIES—

"(a) Any person who willfully injures, destroys, or contaminates or attempts to injure, destroy, or contaminate, any nuclear production facility or utilization facility licensed under this Act, any special nuclear material or by-product material possessed pursuant to a license issued by the Commission under section 53 or section 81 of this Act or pursuant to a license issued by a State under an agreement entered into under section 274 of this Act, or any special nuclear material or byproduct material contained in a carrier, shall be fined not more than \$10,000 or imprisoned for not more than ten years, or both.

"(b) For purposes of this section—

"(1) the term 'carrier' means any motor vehicle, railroad train, or aircraft; and

"(2) the term 'nuclear waste storage installation' means a facility or area the purpose of which is to contain nuclear by-product material."

(b) The table of contents for such Act is amended by inserting the following new item after the item relating to section 234:

"Sec. 235. Sabotage of nuclear facilities."

TITLE IV—PROTECTION FOR INSPECTORS

SEC. 401. Section 1114 of title 18, United States Code is amended by inserting "any construction inspector or quality assurance inspector on any Nuclear Regulatory Commission licensed project," after "Department of Justice,".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree with the amendments of the House of Representatives to S. 562, and request a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on behalf of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. HART, Mr. RANDOLPH, Mr. MOYNIHAN, Mr. SIMPSON, and Mr. DOMENICI conferees on the part of the Senate.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 333 and 332, in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1979

The Senate proceeded to consider the bill (H.R. 5010) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such Act, and for other purposes.

UP AMENDMENT NO. 894

(Purpose: To provide an amendment in the nature of a substitute)

Mr. ROBERT C. BYRD. Mr. President, for myself, Mr. PELL, and Mr. HATFIELD, I send to the desk an amendment in the nature of a substitute, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself, Mr. PELL, and Mr. HATFIELD, proposes an unprinted amendment numbered 894.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Election Campaign Act Amendments of 1979".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

DEFINITIONS

SEC. 101. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), hereinafter in this Act referred to as the "Act", is amended to read as follows:

"DEFINITIONS

"Sec. 301. When used in this Act:

"(1) The term 'election' means—

"(A) a general, special, primary, or runoff election;

"(B) a convention or caucus of a political party which has authority to nominate a candidate;

"(C) a primary election held for the selection of delegates to a national nominating convention of a political party; and

"(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—

"(A) if such individual has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000; or

"(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating

in excess of \$5,000 or has made such expenditures aggregating in excess of \$5,000.

"(3) The term 'Federal office' means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

"(4) The term 'political committee' means—

"(A) any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year; or

"(B) any separate segregated fund established under the provisions of section 316 (b); or

"(C) any local committee of a political party which receives contributions aggregating in excess of \$5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301 (8) and (9) aggregating in excess of \$5,000 during a calendar year, or makes contributions aggregating in excess of \$1,000 during a calendar year or makes expenditures aggregating in excess of \$1,000 during a calendar year.

"(5) The term 'principal campaign committee' means a political committee designated and authorized by a candidate under section 302(e)(1).

"(6) The term 'authorized committee' means the principal campaign committee or any other political committee authorized by a candidate under section 302(e)(1) to receive contributions or make expenditures on behalf of such candidate.

"(7) The term 'connected organization' means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee.

"(8) (A) The term 'contribution' includes—

"(i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

"(ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

"(B) The term 'contribution' does not include—

"(i) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee;

"(ii) the use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an individual to any candidate or any political committee of a political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of such invitations, food, and beverages provided by such individual on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(iii) the sale of any food or beverage by a vendor for use in any candidate's campaign or for use by or on behalf of any political committee of a political party at a charge less than the normal comparable charge, if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activity by such vendor on behalf of any single candidate does not exceed \$1,000 with

respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(iv) any unreimbursed payment for travel expenses made by any individual on behalf of any candidate or any political committee of a political party, to the extent that the cumulative value of such activity by such individual on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(v) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to any cost incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(vi) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vii) any loan of money by a State bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, other than any overdraft made with respect to a checking or savings account, made in accordance with applicable law and in the ordinary course of business, but such loan—

"(I) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors;

"(II) shall be made on a basis which assures repayment, evidenced by a written instrument, and subject to a due date or amortization schedule; and

"(III) shall bear the usual and customary interest rate of the lending institution;

"(viii) any gift, subscription, loan, advance, or deposit of money or anything of value to a national or a State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office;

"(ix) any legal or accounting services rendered to or on behalf of—

"(I) any political committee of a political party if the person paying for such services is the regular employer of the person rendering such services and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) an authorized committee of a candidate or any other political committee, if the person paying for such services is the regular employer of the individual rendering such services and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(x) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party

tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided, That—*

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(xi) the payment by a candidate, for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising): *Provided, That* such payments are made from contributions subject to the limitations and prohibitions of this Act;

"(xii) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided, That—*

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates;

"(xiii) payments made by a candidate or the authorized committee of a candidate as a condition of ballot access and payments received by any political party committee as a condition of ballot access; and

"(xiv) any honorarium (within the meaning of section 323 of this Act).

"(9) (A) The term 'expenditure' includes—

"(i) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office; and

"(ii) a written contract, promise, or agreement to make an expenditure.

"(B) The term 'expenditure' does not include—

"(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(ii) nonpartisan activity designed to encourage individuals to vote or to register to vote;

"(iii) any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified

candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if such costs exceed \$2,000 for any election, be reported to the Commission in accordance with section 304(a)(4)(A)(i), and in accordance with section 304(a)(4)(A)(ii) with respect to any general election;

"(iv) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(v) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vi) any costs incurred by an authorized committee or candidate in connection with the solicitation of contributions on behalf of such candidate, except that this clause shall not apply with respect to costs incurred by an authorized committee of a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b), but all such costs shall be reported in accordance with section 304(b);

"(vii) the payment of compensation for legal or accounting services—

"(I) rendered to or on behalf of any political committee of a political party if the person paying for such services is the regular employer of the individual rendering such services, and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) rendered to or on behalf of a candidate or political committee if the person paying for such services is the regular employer of the individual rendering such services, and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(viii) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided, That—*

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided, That—*

"(1) such payments are not for the costs

of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and

"(x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or the appropriate State official.

"(10) The term 'Commission' means the Federal Election Commission.

"(11) The term 'person' includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.

"(12) The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(13) The term 'identification' means—

"(A) in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer; and

"(B) in the case of any other person, the full name and address of such person.

"(14) The term 'national committee' means the organization which, by virtue of the by-laws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

"(15) The term 'State committee' means the organization which, by virtue of the by-laws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.

"(16) The term 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(18) The term 'clearly identified' means that—

"(A) the name of the candidate involved appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.

"(19) The term 'Act' means the Federal Election Campaign Act of 1971 as amended."

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 102. Section 302 of the Act (2 U.S.C. 432) is amended to read as follows:

"ORGANIZATION OF POLITICAL COMMITTEES

"Sec. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

"(b) (1) Every person who receives a contribution for an authorized political commit-

tee shall, no later than 10 days after receiving such contribution, forward to the treasurer such contribution, and if the amount of the contribution is in excess of \$50 the name and address of the person making the contribution and the date of receipt.

"(2) Every person who receives a contribution for a political committee which is not an authorized committee shall—

"(A) if the amount of the contribution is \$50 or less, forward to the treasurer such contribution no later than 30 days after receiving the contribution; and

"(B) if the amount of the contribution is in excess of \$50, forward to the treasurer such contribution, the name and address of the person making the contribution, and the date of receipt of the contribution, no later than 10 days after receiving the contribution.

"(3) All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

"(c) The treasurer of a political committee shall keep an account of—

"(1) all contributions received by or on behalf of such political committee;

"(2) the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person;

"(3) the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year, together with the date and amount of any such contribution;

"(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution; and

"(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of \$200.

"(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed.

"(e) (1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with subsection (f) (1).

"(2) Any candidate described in paragraph (1) who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

"(3) (A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(1) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee, but only if that national committee maintains separate books of account with

respect to its function as a principal campaign committee; and

"(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

"(B) As used in this section, the term 'support' does not include a contribution by any authorized committee in amounts of \$1,000 or less to an authorized committee of any other candidate.

"(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

"(5) The name of any separate segregated fund established pursuant to section 316(b) shall include the name of its connected organization.

"(f) (1) Notwithstanding any other provision of this Act, each designation, statement, or report of receipts or disbursements made by an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

"(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under paragraph (1) and shall compile and file such designations, statements, and reports in accordance with this Act.

"(g) (1) Designations, statements, and reports required to be filed under this Act by a candidate or by an authorized committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and by the principal campaign committee of such a candidate, shall be filed with the Clerk of the House of Representatives, who shall receive such designations, statements, and reports as custodian for the Commission.

"(2) Designations, statements, and reports required to be filed under this Act by a candidate for the office of Senator, and by the principal campaign committee of such candidate, shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

"(3) The Clerk of the House of Representatives and the Secretary of the Senate shall forward a copy of any designation, statement, or report filed with them under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

"(4) All designations, statements, and reports required to be filed under this Act, except designations, statements, and reports filed in accordance with paragraphs (1) and (2), shall be filed with the Commission.

"(5) The Clerk of the House of Representatives and the Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a) (4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311(a) (5).

"(h) (1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disburse-

ments may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

"(2) A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c) (5).

"(i) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954."

REGISTRATION OF POLITICAL COMMITTEES;
STATEMENTS

SEC. 103. Section 303 of the Act (2 U.S.C. 433) is amended to read as follows:

"REGISTRATION OF POLITICAL COMMITTEES;
STATEMENTS

"SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e)(1). Each separate segregated fund established under the provisions of section 316(b) shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

"(b) The statement of organization of a political committee shall include—

"(1) the name, address, and type of committee;

"(2) the name, address, relationship, and type of any connected organization or affiliated committee;

"(3) the name, address, and position of the custodian of books and accounts of the committee;

"(4) the name and address of the treasurer of the committee;

"(5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; and

"(6) a listing of all banks, safety deposit boxes, or other depositories used by the committee.

"(c) Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.

"(d) (1) A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.

"(2) Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—

"(A) the determination of insolvency with respect to any political committee;

"(B) the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and

"(C) the termination of an insolvent political committee after such liquidation and application of assets."

REPORTS

SEC. 104. Section 304 of the Act (2 U.S.C. 434) is amended to read as follows:

"REPORTS

"SEC. 304. (a) (1) Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection. The treasurer shall sign each such report.

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"(2) If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate—

"(A) in any calendar year during which there is regularly scheduled election for which such candidate is seeking election, or nomination for election, the treasurer shall file the following reports:

"(i) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election;

"(ii) a post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be complete as of the 20th day after such general election; and

"(iii) additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter; except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year; and

"(B) in any other calendar year the following reports shall be filed:

"(i) a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31; and

"(ii) a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.

"(3) If the committee is the principal campaign committee of a candidate for the office of President—

"(A) in any calendar year during which a general election is held to fill such office—

"(i) the treasurer shall file monthly reports if such committee has on January 1 of such year, received contributions aggregating \$100,000 or made expenditures aggregating \$100,000 or anticipates receiving contributions aggregating \$100,000 or more or making expenditures aggregating \$100,000 or more during such year: such monthly reports shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month, except that, in lieu of filing the report otherwise due in November and December, a pre-general election report shall be filed in accordance with paragraph (2) (A) (i), a post-general election report shall be filed in accordance with paragraph (2) (A) (ii), and a year end report shall be filed no later than January 31 of the following calendar year;

"(ii) the treasurer of the other principal campaign committees of a candidate for the office of President shall file a pre-election report or reports in accordance with paragraph (2) (A) (i), a post-general election report in accordance with paragraph (2) (A) (ii), and quarterly reports in accordance with paragraph (2) (A) (iii); and

"(iii) if at any time during the election year a committee filing under paragraph (3) (A) (ii) receives contributions in excess of \$100,000 or makes expenditures in excess of \$100,000, the treasurer shall begin filing monthly reports under paragraph (3) (A) (i) at the next reporting period; and

"(B) in any other calendar year, the treasurer shall file either—

"(i) monthly reports, which shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month; or

"(ii) quarterly reports, which shall be filed no later than the 20th day after the last day of each calendar quarter and which shall be complete as of the last day of each calendar quarter.

"(4) All political committees other than authorized committees of a candidate shall file either—

"(A) (i) quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter; except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year;

"(ii) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election;

"(iii) a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and

"(iv) in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year; or

"(3) monthly reports in all calendar years which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with paragraph (2) (A) (i), a post-general election report shall be filed in accordance with paragraph (2) (A) (ii), and a year end report shall be filed no later than January 31 of the following calendar year.

"(5) If a designation, report, or statement filed pursuant to this Act (other than under paragraph (2) (A) (i) or (4) (A) (ii)) is sent by registered or certified mail, the United States postmark shall be considered the date of filing of the designation, report, or statement.

"(6) (A) The principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of \$1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

"(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this Act.

"(7) The reports required to be filed by this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

"(8) The requirement for a political committee to file a quarterly report under paragraph (2) (A) (iii) or paragraph (4) (A) (i) shall be waived if such committee is required to file a pre-election report under paragraph (2) (A) (i), or paragraph (4) (A) (ii) during the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

"(9) The Commission shall set filing dates for reports to be filed by principal campaign committees of candidates seeking election.

or nomination for election, in special elections and political committees filing under paragraph (4) (A) which make contributions to or expenditures on behalf of a candidate or candidates in special elections. The Commission shall require no more than one pre-election report for each election and one post-election report for the election which fills the vacancy. The Commission may waive any reporting obligation of committees required to file for special elections if any report required by paragraph (2) or (4) is required to be filed within 10 days of a report required under this subsection. The Commission shall establish the reporting dates within 5 days of the setting of such election and shall publish such dates and notify the principal campaign committees of all candidates in such election of the reporting dates.

"(10) The treasurer of a committee supporting a candidate for the office of Vice President (other than the nominee of a political party) shall file reports in accordance with paragraph (3).

"(b) Each report under this section shall disclose—

"(1) the amount of cash on hand at the beginning of the reporting period;

"(2) for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the following categories:

"(A) contributions from persons other than political committees;

"(B) for an authorized committee, contributions from the candidate;

"(C) contributions from political party committees;

"(D) contributions from other political committees;

"(E) for an authorized committee, transfers from other authorized committees of the same candidate;

"(F) transfers from affiliated committees, and, where the reporting committee is a political party committee, transfers from other political party committees, regardless of whether such committees are affiliated;

"(G) for an authorized committee, loans made by or guaranteed by the candidate;

"(H) all other loans;

"(I) rebates, refunds, and other offsets to operating expenditures;

"(J) dividends, interest, and other forms of receipts; and

"(K) for an authorized committee of a candidate for the office of President, Federal funds received under chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

"(3) the identification of each—

"(A) person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution;

"(B) political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(C) authorized committee which makes a transfer to the reporting committee;

"(D) affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee from another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer;

"(E) person who makes a loan to the reporting committee during the reporting period, together with the identification of any

endorser or guarantor of such loan, and the date and amount or value of such loan;

"(F) person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of such receipt; and

"(G) person who provides any dividend, interest, or other receipt to the reporting committee in an aggregate value or amount in excess of \$200 within the calendar year, together with the date and amount of any such receipt;

"(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

"(A) expenditures made to meet candidate or committee operating expenses;

"(B) for authorized committees, transfers to other committees authorized by the same candidate;

"(C) transfers to affiliated committees and, where the reporting committee is a political party committee, transfers to other political party committees, regardless of whether they are affiliated;

"(D) for an authorized committee, repayment of loans made by or guaranteed by the candidate;

"(E) repayment of all other loans;

"(F) contribution refunds and other offsets to contributions;

"(G) for an authorized committee, any other disbursements;

"(H) for any political committee other than an authorized committee—

"(i) contributions made to other political committees;

"(ii) loans made by the reporting committees;

"(iii) independent expenditures;

"(iv) expenditures made under section 315(d) of this Act; and

"(v) any other disbursements; and

"(I) for an authorized committee of a candidate for the office of President, disbursements not subject to the limitation of section 315(b);

"(5) the name and address of each—

"(A) person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure;

"(B) authorized committee to which a transfer is made by the reporting committee;

"(C) affiliated committee to which a transfer is made by the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds by the reporting committee to another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfers;

"(D) person who receives a loan repayment from the reporting committee during the reporting period together with the date and amount of such loan repayment; and

"(E) person who receives a contribution refund or other offset to contributions from the reporting committee where such contribution was reported under paragraph (3) (A) of this subsection, together with the date and amount of such disbursement;

"(6) (A) for an authorized committee, the name and address of each person who has received any disbursement not disclosed under paragraph (5) in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such disbursement;

"(B) for any other political committee, the name and address of each—

"(i) political committee which has received a contribution from the reporting

committee during the reporting period, together with the date and amount of any such contribution;

"(ii) person who has received a loan from the reporting committee during the reporting period, together with the date and amount of such loan;

"(iii) person who receives any disbursement during the reporting period in an aggregate amount or value in excess of \$200 within the calendar year in connection with an independent expenditure by the reporting committee, together with the date, amount, and purpose of any such independent expenditure and a statement which indicates whether such independent expenditure is in support of, or in opposition to, a candidate, as well as the name and office sought by such candidate, and a certification, under penalty of perjury, whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such committee;

"(iv) person who receives any expenditure from the reporting committee during the reporting period in connection with an expenditure under section 315(d) in the Act, together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made; and

"(v) person who has received any disbursement not otherwise disclosed in this paragraph or paragraph (5) in an aggregate amount or value in excess of \$200 within the calendar year from the reporting committee within the reporting period, together with the date, amount, and purpose of any such disbursement;

"(7) the total sum of all contributions to such political committee, together with the total contributions less offsets to contributions and the total sum of all operating expenditures made by such political committee, together with total operating expenditure less offsets to operating expenditures, for both the reporting period and the calendar year; and

"(8) the amount and nature of outstanding debts and obligations owed by or to such political committee; and where such debts and obligations are settled for less than their reported amount or value, a statement as to the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefor.

"(c) (1) Every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall file a statement containing the information required under subsection (b) (3) (A) for all contributions received by such person.

"(2) Statements required to be filed by this subsection shall be filed in accordance with subsection (a) (2), and shall include—

"(A) the information required by subsection (b) (6) (B) (iii), indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved;

"(B) under penalty of perjury, a certification whether or not such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

"(C) the identification of each person who made a contribution in excess of \$200 to the person filing such statement which was made for the purpose of furthering an independent expenditure.

Any independent expenditure (including those described in subsection (b) (6) (B) (iii)) aggregating \$1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made. Such statement shall be filed with the

Clerk, the Secretary, or the Commission and the Secretary of State and shall contain the information required by subsection (b) (6) (B) (iii) indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved.

"(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all independent expenditures separately, including those reported under subsection (b) (6) (B) (iii), made by or for each candidate, as reported under this subsection, and for periodically publishing such indices on a timely pre-election basis."

FEDERAL ELECTION COMMISSION

SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is amended—

(1) by striking out sections 305, 306, 308, 311, 318, and 329;

(2) by redesignating section 307 as section 305;

(3) by redesignating sections 309 and 310 as sections 306 and 307, respectively;

(4) by redesignating sections 312 through 317 as sections 308 through 313, respectively;

(5) by redesignating sections 319 through 328 as sections 314 through 323, respectively; and

(6) by amending section 306, as so redesignated by section 105(a)(3), to read as follows:

"FEDERAL ELECTION COMMISSION

"Sec. 306. (a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

"(2) (A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) A member of the Commission may serve on the Commission after the expiration of his or her term until his or her successor has taken office as a member of the Commission.

"(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he or she succeeds.

"(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

"(3) Members shall be chosen on the basis of their experience, integrity, impartiality and good judgment and members (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Federal Government. Such members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time or his or her appointment to the Commission shall terminate or liquidate such activity no later than 90 days after such appointment.

"(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. A member may serve as chairman only once during any term of office to which such member is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

"(b) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this Act shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

"(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this Act shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his or her vote or any decisionmaking authority or duty vested in the Commission by the provisions of this Act, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to take any action in accordance with paragraph (6), (7), (8), or (9) of section 307(a) of this Act or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(d) The Commission shall meet at least once each month and also at the call of any member.

"(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

"(f) (1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he or she considers desirable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States. The heads of such agencies

and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"(4) Notwithstanding the provisions of paragraph (2), the Commission is authorized to appear in and defend against any action instituted under this Act, either (A) by attorneys employed in its office, or (B) by counsel whom it may appoint, on a temporary basis as may be necessary for such purpose, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title. The compensation of counsel so appointed on a temporary basis shall be paid out of any funds otherwise available to pay the compensation of employees of the Commission."

POWERS OF THE COMMISSION

SEC. 106. Section 307, as so redesignated in section 105(a)(3), is amended to read as follows:

"POWERS OF THE COMMISSION

"Sec. 307. (a) The Commission has the power—

"(1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission may prescribe;

"(2) to administer oaths or affirmations;

"(3) to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (5);

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 309(a)(8) of this Act) or appeal any civil action in the name of the Commission to enforce the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

"(7) to render advisory opinions under section 308 of this Act;

"(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

"(9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a), issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d) (1) Whenever the Commission submits any budget estimate or request to the

President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(e) Except as provided in section 309(a)(8) of this Act, the power of the Commission (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this Act."

ADVISORY OPINIONS

SEC. 107. (a) Section 308 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ADVISORY OPINIONS

"SEC. 308. (a) (1) Not later than 60 days after the Commission receives from a person a complete written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a rule or regulation prescribed by the Commission, with respect to a specific transaction or activity by the person, the Commission shall render a written advisory opinion relating to such transaction or activity to the person.

"(2) If an advisory opinion is requested by a candidate, or any authorized committee of such candidate, during the 60-day period before any election for Federal office involving the requesting party, the Commission shall render a written advisory opinion relating to such request no later than 20 days after the Commission receives a complete written request.

"(b) Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to procedures established in section 311(d). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

"(c) (1) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by—

"(A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and

"(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(2) Notwithstanding any other provisions of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (1) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(d) The Commission shall make public any request made under subsection (a) for an advisory opinion. Before rendering an advisory opinion, the Commission shall accept written comments submitted by any

interested party within the 10-day period following the date the request is made public."

ENFORCEMENT

SEC. 108. Section 309 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ENFORCEMENT

"SEC. 309. (a) (1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18, United States Code. Within 5 days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within 15 days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

"(2) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of 4 of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis for such alleged violation. The Commission shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.

"(3) The general counsel of the Commission shall notify the respondent of any recommendation to the Commission by the general counsel to proceed to a vote on probable cause pursuant to paragraph (4)(A)(1). With such notification, the general counsel shall include a brief stating the position of the general counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, respondent may submit a brief stating the position of such respondent on the legal and factual issues of the case, and replying to the brief of general counsel. Such briefs shall be filed with the Secretary of the Commission and shall be considered by the Commission before proceeding under paragraph (4).

"(4) (A) (i) Except as provided in clause (ii), if the Commission determines, by an affirmative vote of 4 of its members, that there is probable cause to believe that any person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall attempt, for a period of at least 30 days, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any person involved. Such attempt by the Commission to correct or prevent such violation may continue for a period of not more than 90 days. The Commission may not enter into a conciliation agreement under this clause except pursuant to an affirmative vote of 4 of its members. A conciliation agreement, unless violated, is a complete bar to any further action by the Commission,

including the bringing of a civil proceeding under paragraph (6)(A).

"(ii) If any determination of the Commission under clause (i) occurs during the 45-day period immediately preceding any election, then the Commission shall attempt, for a period of at least 15 days, to correct or prevent the violation involved by the methods specified in clause (i).

"(B) (1) No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission under subparagraph (A) may be made public by the Commission without the written consent of the respondent and the Commission.

"(ii) If a conciliation agreement is agreed upon by the Commission and the respondent, the Commission shall make public any conciliation agreement signed by both the Commission and the respondent. If the Commission makes a determination that a person has not violated this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make public such determination.

"(5) (A) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a Commission under paragraph (4)(A) may require that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(C) If the Commission by an affirmative vote of 4 of its members, determines that there is probable cause to believe that a knowing and willful violation of this Act which is subject to subsection (d), or a knowing and willful violation of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to any limitations set forth in paragraph (4)(A).

"(D) In any case in which a person has entered into a conciliation agreement with the Commission under paragraph (4)(A), the Commission may institute a civil action for relief under paragraph (6)(A) if it believes that the person has violated any provision of such conciliation agreement. For the Commission to obtain relief in any civil action, the Commission need only establish that the person has violated, in whole or in part, any requirement of such conciliation agreement.

"(6) (A) If the Commission is unable to correct or prevent any violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, by the methods specified in paragraph (4)(A), the Commission may, upon an affirmative vote of 4 of its members, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order (including an order for a proper order (including an order for a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

"(B) In any civil action instituted by the Commission under subparagraph (A), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(c) In any civil action for relief instituted by the commission under subparagraph (A), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(7) In any action brought under paragraph (5) or (6), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

"(8) (A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.

"(B) Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.

"(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

"(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 310 of this Act).

"(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

"(12) (A) Any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

"(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than \$2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than \$5,000.

"(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a) (2) (A) (iii) for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a) (2) (A) (i), the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a) (7), publish before the election the name of the person and the report or reports such person has failed to file.

"(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

"(d) (1) (A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution or expenditure aggregating \$2,000 or more during a calendar year shall be fined, or imprisoned for not more than one year, or both. The amount of this fine shall not exceed the greater of \$25,000 or 300 percent of any contribution or expenditure involved in such violation.

"(B) In the case of a knowing and willful violation of section 316(b) (3), the penalties set forth in this subsection shall apply to a violation involving an amount aggregating \$250 or more during a calendar year. Such violation of section 316(b) (3) may incorporate a violation of section 317(b), 320, or 321.

"(C) In the case of a knowing and willful violation of section 322, the penalties set forth in this subsection shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

"(2) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, any defendant may evidence their lack of knowledge or intent to commit the alleged violation by introducing as evidence a conciliation agreement entered into between the defendant and the Commission under subsection (a) (4) (A) which specifically deals with the act or failure to act constituting such violation and which is still in effect.

"(3) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the violation and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

"(A) the specific act or failure to act which constitutes the violation for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under subparagraph (a) (4) (A);

"(B) the conciliation agreement is in effect; and

"(C) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement."

ADMINISTRATIVE PROVISIONS

SEC. 109. Section 311 of the Act, as so redesignated in section 105(a) (4), is amended to read as follows:

"ADMINISTRATIVE PROVISIONS

"Sec. 311. (a) The Commission shall—

"(1) prescribe forms necessary to implement this Act;

"(2) prepare, publish, and furnish to all

persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting;

"(3) develop a filing, coding, and cross-indexing system consistent with the purposes of this Act;

"(4) within 48 hours after the time of the receipt by the Commission of reports and statements filed with it, make them available for public inspection, and copying, at the expense of the person requesting such copying, except that any information copied from such reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. A political committee may submit 10 pseudonyms on each report filed in order to protect against the illegal use of names and addresses of contributors, provided such committee attaches a list of such pseudonyms to the appropriate report. The Clerk, Secretary, or the Commission shall exclude these lists from the public record;

"(5) keep such designations, reports, and statements for a period of 10 years from the date of receipt, except that designations, reports, and statements that relate solely to candidates for the House of Representatives shall be kept for 5 years from the date of their receipt;

"(6) (A) compile and maintain a cumulative index of designations, reports, and statements filed under this Act, which index shall be published at regular intervals and made available for purchase directly or by mail;

"(B) compile, maintain, and revise a separate cumulative index of reports and statements filed by multi-candidate committees, including in such index a list of multi-candidate committees; and

"(C) compile and maintain a list of multi-candidate committees, which shall be revised and made available monthly;

"(7) prepare and publish periodically lists of authorized committees which fail to file reports as required by this Act;

"(8) prescribe rules, regulations, and forms to carry out the provisions of this Act, in accordance with the provisions of subsection (c);

"(9) transmit to the President and to each House of the Congress no later than June 1 of each year, a report which states in detail the activities of the Commission in carrying out its duties under this Act, and any recommendations for any legislative or other action the Commission considers appropriate; and

"(10) serve as a national clearinghouse for the compilation of information and review of procedures with respect to the administration of Federal elections. The Commission may enter into contracts for the purpose of conducting studies under this paragraph. Reports or studies made under this paragraph shall be available to the public upon the payment of the cost thereof, except that copies shall be made available without cost, upon request, to agencies and branches of the Federal Government.

"(b) The Commission may conduct audits and filed investigations of any political committee required to file a report under section 304 of this Act. All audits and field investigations concerning the verification for, and receipt and use of, any payments received by a candidate or committee under chapter 95 or chapter 96 of the Internal Revenue Code of 1954 shall be given priority. Prior to conducting any audit under this subsection, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act. Such thresholds for compliance shall be es-

established by the Commission. The Commission may, upon an affirmative vote of four of its members, conduct an audit and field investigation of any committee which does not meet the threshold requirements established by the Commission. Such audit shall be commenced within 30 days of such vote, except that any audit of an authorized committee of a candidate, under the provisions of this subsection, shall be commenced within 6 months of the election for which such committee is authorized.

"(c) Any forms prescribed by the Commission under subsection (a)(1), and any information-gathering activities of the Commission under this Act, shall not be subject to the provisions of section 3512 of title 44, United States Code.

"(d)(1) Before prescribing any rule, regulation, or form under this section or any other provision of this Act, the Commission shall transmit a statement with respect to such rule, regulation, or form to the Senate and the House of Representatives, in accordance with this subsection. Such statement shall set forth the proposed rule, regulation, or form, and shall contain a detailed explanation and justification of it.

"(2) If either House of the Congress does not disapprove by resolution any proposed rule or regulation submitted by the Commission under this section within 30 legislative days after the date of the receipt of such proposed rule or regulation or within 10 legislative days after the date of receipt of such proposed form, the Commission may prescribe such rule, regulation, or form.

"(3) For purposes of this subsection, the term 'legislative day' means, with respect to statements transmitted to the Senate, any calendar day on which the Senate is in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is in session.

"(4) For purposes of this subsection, the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

"(5)(A) A motion to discharge a committee of the Senate from the consideration of a resolution relating to any such rule, regulation, or form or a motion to proceed to the consideration of such a resolution, is highly privileged and shall be decided without debate.

"(B) Whenever a committee of the House of Representatives reports any resolution relating to any such form, rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and is not in order to move to reconsider the vote by which the motion is agreed to or disagreed with.

"(e) Notwithstanding any other provision of law, any person who relies upon any rule or regulation prescribed by the Commission in accordance with the provisions of this section and who acts in good faith in accordance with such rule or regulation shall not, as a result of such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(f) In prescribing such rules, regulations, and forms under this section, the Commission and the Internal Revenue Service shall consult and work together to promulgate rules, regulations and forms which are mutually consistent. The Commission shall report to the Congress annually on the steps it has taken to comply with this subsection."

STATEMENTS FILED WITH STATE OFFICERS

SEC. 110. Section 312 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"STATEMENTS FILED WITH STATE OFFICERS

"SEC. 312. (a)(1) A copy of each report and statement required to be filed by any person under this Act shall be filed by such person with the Secretary of State (or equivalent State officer) of the appropriate State, or, if different, the officer of such State who is charged by State law with maintaining State election campaign reports. The chief executive officer of such State shall designate any such officer and notify the Commission of any such designation.

"(2) For purposes of this subsection, the term 'appropriate State' means—

"(A) for statements and reports in connection with the campaign for nomination for election of a candidate to the office of President or Vice President, each State in which an expenditure is made on behalf of the candidate; and

"(B) for statements and reports in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the State in which the candidate seeks election; except that political committees other than authorized committees are only required to file, and Secretaries of State required to keep, that portion of the report applicable to candidates seeking election in that State.

"(b) The Secretary of State (or equivalent State officer), or the officer designated under subsection (a)(1), shall—

"(1) receive and maintain in an orderly manner all reports and statements required by this Act to be filed therewith;

"(2) keep such reports and statements (either in original filed form or in facsimile copy by microfilm or otherwise) for 2 years after their date of receipt;

"(3) make each report and statement filed therewith available as soon as practicable (but within 48 hours of receipt) for public inspection and copying during regular business hours, and permit copying of any such report or statement by hand or by duplicating machine at the request of any person, except that such copying shall be at the expense of the person making the request; and

"(4) compile and maintain a current list of all reports and statements pertaining to each candidate."

PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

SEC. 111. Section 318 of the Act, as so redesignated in section 105(a)(5), is amended to read as follows:

"PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

"SEC. 318. (a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication—

"(1) if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

"(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized political committee;

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the com-

munication and state that the communication is not authorized by any candidate or candidate's committee.

"(b) No person who sells space in a newspaper or magazine to a candidate or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes."

TECHNICAL AMENDMENTS

SEC. 112. (a) Section 305 of the Act, as so redesignated in section 105(a)(2), is amended—

(1) by striking out "sixty" and inserting in lieu thereof "60";

(2) by striking out "twenty" and inserting in lieu thereof "20"; and

(3) by striking out "Federal Election".

(b) Section 306(c) of the Act, as so redesignated in section 105(a)(3), is amended by striking out "section 310(a)" and inserting in lieu thereof "section 307(a)".

(c) Section 310(a) of the Act, as so redesignated in section 105(a)(4), is amended by striking out "of the United States" the first place it appears therein.

(d) The first sentence of section 316(b)

(4)(B) of the Act, as so redesignated in section 105(a)(5), is amended by striking out "it" and inserting in lieu thereof "It".

(e)(1) Section 403(a) of the Domestic Volunteer Service Act of 1973 is amended—

(A) by striking out "section 301(a)" and inserting in lieu thereof "section 301(1)"; and

(B) by striking out "section 301(c)" and inserting in lieu thereof "section 301(3)".

(2) Section 6 of the Department of State Appropriations Authorization Act of 1973 is amended by striking out "section 301(e)" and inserting in lieu thereof "section 301(8)".

USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

SEC. 113. Section 313 of the Act (as redesignated by section 105(4)) is amended to read as follows:

"USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

"SEC. 313. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his or her activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office, may be contributed to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose, including transfers without limitation to any national, State, or local committee of any political party; except that, with respect to any individual who is not a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress on the date of the enactment of the Federal Election Campaign Act Amendments of 1979, no such amounts may be converted by any person to any personal use, other than to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office."

TITLE II—AMENDMENTS TO OTHER LAWS

MISCELLANEOUS AMENDMENTS TO TITLE 18, UNITED STATES CODE

SEC. 201. (a)(1) Chapter 29 of title 18, United States Code, is amended by striking out section 591.

(2) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 591.

(3) Section 602 of such title is amended to read as follows:

"SOLICITATION OF POLITICAL CONTRIBUTIONS
 "SEC. 602. It shall be unlawful for—
 "(1) a candidate for the Congress;
 "(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States.

to knowingly solicit, any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employee, or person. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both."

(4) Section 603 of such title is amended to read as follows:

"MAKING POLITICAL CONTRIBUTIONS

"SEC. 603. (a) It shall be unlawful for an officer or employee of the United States or any department or agency thereof, or a person receiving any salary or compensation for services from money derived from the Treasury of the United States, to make any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 to any other such officer, employee or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, if the person receiving such contribution is the employer or employing authority of the person making the contribution. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

"(b) For purposes of this section, a contribution to an authorized committee as defined in section 302(e)(1) of the Federal Election Campaign Act of 1971 shall be considered a contribution to the individual who has authorized such committee."

(5) Section 607 of such title is amended to read as follows:

"PLACE OF SOLICITATION

"SEC. 607. (a) It shall be unlawful for any person to solicit or receive any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 in any room or building occupied in the discharge of official duties by any person mentioned in section 603, or in any navy yard, fort, or arsenal. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

"(b) The prohibition in subsection (a) shall not apply to the receipt of contributions by persons on the staff of a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, provided that such contributions have not been solicited in any manner which directs the contributor to mail or deliver a contribution to any room, building, or other facility referred to in subsection (a), and provided that such contributions are transferred within seven days of receipt to a political committee within the meaning of section 302(e) of the Federal Election Campaign Act of 1971."

MISCELLANEOUS AMENDMENT TO THE INTERNAL REVENUE CODE OF 1954

SEC. 202. Section 9008(b) of the Internal Revenue Code of 1954 is amended by striking out at the end thereof the figure "\$2,000,000" and inserting in lieu thereof "\$3,000,000".

MISCELLANEOUS AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 203. Section 3132(a)(1) of title 5, United States Code, is amended—

(1) by adding "or" after the semicolon at the end of subparagraph (B); and

(2) by adding the following new subparagraph at the end thereof:

"(C) the Federal Election Commission;";

TITLE III—GENERAL PROVISIONS

EFFECTIVE DATES

SEC. 301. (a) Except as provided in subsection (b), the amendments made by this Act are effective upon enactment.

(b) For authorized committees of candidates for President and Vice President, section 304(b) of the Federal Election Campaign Act of 1971 shall be effective for elections occurring after January 1, 1981.

VOTING SYSTEM STUDY

SEC. 302. The Federal Election Commission, with the cooperation and assistance of the National Bureau of Standards, shall conduct a preliminary study with respect to the future development of voluntary engineering and procedural performance standards for voting systems used in the United States. The Commission shall report to the Congress the results of the study, and such report shall include recommendations, if any, for the implementation of a program of such standards (including estimates of the costs and time requirements of implementing such a program). The cost of the study shall be paid out of any funds otherwise available to defray the expenses of the Commission.

TRANSITION PROVISIONS

SEC. 303. (a) The Federal Election Commission shall transmit to the Congress proposed rules and regulations necessary for the purpose of implementing the provisions of this Act, and the amendments made by this Act, prior to February 29, 1980.

(b) The provisions of section 311(d) of the Federal Election Campaign Act of 1971 allowing disapproval of rules and regulations by either House of Congress within 30 legislative days after receipt shall, with respect to rules and regulations required to be proposed under subsection (a) of this section, be deemed to allow such disapproval within 15 legislative days after receipt.

● Mr. BUMPERS. Mr. President, I would like to commend the members of the Senate Rules and Administration Committee for reporting legislation that makes commonsense improvements in the Federal Election Campaign Act. In particular, I want to highlight one issue on which I have received correspondence from the secretary of the State of Arkansas, Paul Riviere, who must abide by the regulations Congress imposes.

Under current law, the retention period for which States must keep multicandidate and candidate committee reports on hand for Senate and Presidential candidates is 10 years. The period for reports relating solely to House candidates is 5 years.

From 1976 through October 26 of this year, there were only three requests to review the multicandidate committee reports in Arkansas, while there were 189 requests to review Candidate Committee reports. The State of Arkansas must keep on hand 5,200 multicandidate report filings when the public is clearly not sufficiently interested in them, and which will probably never be looked at by more than a dozen people. If other States' experience is similar to Arkansas—and I suspect it is—then Congress should take steps to reduce this administrative burden.

The House has already approved legislation that contains provisions to reduce the retention periods for these reports. Candidate committee reports

would be kept on hand for 2 years, and all other reports would be kept through April 30 of the year following the calendar year in which the report was filed.

The Senate Rules and Administration Committee has agreed to use this approach by requiring all committee reports to be kept for 2 years, which I think strikes the proper balance between the public's right to this information and manageable paperwork requirements on State election officials.●

● Mr. PELL. Mr. President, on behalf of the Committee on Rules and Administration, Mr. HATFIELD and I, as ranking minority member and chairman, respectively, have submitted an amendment in the form of a substitute bill for H.R. 5010, a bill to amend the Federal Election Campaign Act of 1971.

In September, the Committee on Rules and Administration reported S. 1757, a bill designed to correct certain inequities in the Federal Election Campaign Act of 1971. At the time S. 1757 was reported, the House had passed and sent to the Senate H.R. 5010, which also revised the Campaign Act of 1971. Since the House bill was similar in purpose to the Senate bill, and included a number of like provisions while being somewhat more comprehensive in scope, Mr. HATFIELD and I prepared a substitute measure in amendment thereof which uses the House bill as a basis and adds some provisions of the Senate bill. In an attempt to achieve a bill acceptable to both Houses of Congress, sections of the two bills that were not similar were either deleted or modified.

It is the purpose of this statement, and that of Senator HATFIELD, to explain the intent of the provisions so modified where such intent is not clearly evident from the respective committee reports.

By way of introduction and background, the Federal Election Campaign Act of 1971 (the act) was last amended in 1976. In 1977 a bill, S. 926, did pass the Senate by a vote of 88 to 1, but was not considered by the House. That legislation was an attempt to correct many of the problems that candidates had experienced during the 1976 elections.

The need for campaign reform was again expressed after the 1978 elections. In response to the continued and demonstrated need for corrective legislation in this area, the Committee on Rules and Administration, in September, considered and reported S. 1757 which incorporates many of the provisions of the 1977 bill. The House then considered and unanimously passed H.R. 5010. Both bills seek to simplify the reporting and recording requirements, expand the role of political parties, and increase the "grassroots" participation in Federal election campaigns.

FILING REQUIREMENTS

For candidates and for party committees, the bill alleviates the present act's filing requirements. Under present law, "candidate" is so defined that anyone receiving contributions or making expenditures must file. This bill establishes separate contributions and expenditure thresholds of \$5,000 each, thereby exempting persons raising or spending less

than that amount from the act's requirements. The purpose of this is to eliminate a major enforcement problem of the nonfiling candidate, while not significantly compromising the financial disclosure purposes of the act.

As to political committees, the bill continues to require them to file if they have raised or spent \$1,000. It also permits, however, party committees to expend up to \$5,000 on materials used in connection with volunteer activities before they must file. The purpose is to encourage such activity on behalf of Federal candidates at the State and local levels.

VOLUNTEER ACTIVITY

Volunteer and grassroots activity is generally encouraged by the bill. Under present law, if volunteers pay for their own travel expenses or use their own residences for a campaign, then the costs for doing so are not reportable up to \$500. The bill increases the exemption to \$1,000, and extends the exemption to volunteer services for political party committees with a reporting exemption of \$2,000 for such volunteer activity.

GRASSROOTS ACTIVITY

As to grassroots activity, the bill permits State and local party committees to conduct voter registration and get-out-the-vote drives for their Presidential and Vice Presidential nominees, and to pay costs in connection with volunteer activities, subject only to a reporting requirement when the costs exceed \$5,000.

Another provision of the bill allows a candidate to make reference to another Federal candidate on campaign materials used in connection with volunteer activities, without it being a contribution. This provision, when read in conjunction with the previous section concerning get-out-the-vote activity, would permit State and local party committees to make an incidental reference to other Federal candidates as well as the party's Presidential and Vice Presidential nominees.

SENATE PROCEDURE—REVIEW OF REGULATIONS

A new section to the bill provides for an expedited Senate procedure should the Senate choose to disapprove a rule, regulation or form submitted to it by the Federal Election Commission. Existing law provided for a similar expedited procedure for the House of Representatives, but not for the Senate.

REPORTING REQUIREMENTS

Reporting requirements in the bill generally simplify existing law by reducing the amount of information to be included in reports, as well as reducing the number of reports which must be filed. Also, the reporting threshold for contribution and expenditures is raised in the bill from \$100 to \$200. The reporting threshold for independent expenditures is also raised to \$250 and only the person making the independent expenditure must report this.

SMALL CONTRIBUTIONS

Another new provision in the bill places a time limitation on the forwarding of contributions to a political committee by persons receiving contributions on behalf of that committee. Such persons have 10 days after receipt to for-

ward all contributions to a candidate's authorized committee. As to all other committees, contributions of more than \$50 must be forwarded no later than 10 days of receipt, while contributions of less than \$50 must be forwarded no later than 30 days of receipt.

The difficulty in the handling and transmittal of these smaller contributions prompted the lengthening of the frame to 30 days for such contributions.

PAC LOCAL AFFILIATES

Also, by way of clarification, the change in the definition of "political committee" to specifically include "separate segregated funds" (section 301(4)(B)) is to be read in light of the act's overall purpose which is to regulate Federal election activity. A fund which is established for the purpose of financing political activity in connection with State or local elections is not required to register or report. For example, a fund established by an entity such as a local union affiliated with a national union or a corporate subsidiary to engage in both State and local election activity need not report so long as it devotes its share of the money raised to State and local election activity and transfers only funds for Federal candidates collected at joint fundraisers to appropriate political committees registered under the act. In such a situation the local union or corporate subsidiary fund would be merely acting as the registered committee's agent in collecting and transferring the latter's share of the joint fundraising's receipts.

COMPLAINTS—JUDICIAL REVIEW

The Commission is entrusted with the responsibility of passing on complaints. Section 309(a)(8) provides that an order ~~dismissing a complaint is reviewable in court solely to assure that the Commission's action is not based on an error of law.~~ And to assure that the Commission does not shirk its responsibility to decide that section also provides that a ~~total failure to address a complaint within 120 days is a basis for a court action.~~ But these two limited bases for judicial intervention are not intended to work a transfer of prosecutorial discretion from the Commission to the courts. Thus, for example, if the Commission considers a case and is evenly divided as to whether to proceed, that division which under the act precludes Commission action on the merits is not subject to review any more than a similar prosecutorial decision by a U.S. attorney.

SENIOR EXECUTIVE SERVICE

A question has arisen as to the applicability to the senior executive service program to the top personnel of the FEC. It is a bipartisan agency, and should have a personnel policy free of involvement by the executive branch, but it is the intent of the amendment to resolve the question by specifically exempting the agency from the SES program.

In light of the upcoming elections, timely implementation of these reforms is essential as candidates and committees are already preparing for the next elections. Delay in passage of this bill will make it difficult for the Federal Election Commission to administer and for the

affected parties to comply with its changed requirements. I therefore urge immediate consideration and passage of the bill, as amended.●

● Mr. HATFIELD. Mr. President, I strongly concur in the remarks of my colleague on the effect this bill will have in easing the restrictions which have so severely curtailed grassroots involvement in Federal campaigns, and particularly the Presidential race.

A number of other provisions of the bill deserve comment. There are substantial modifications of the enforcement process. A respondent is given additional protections by requiring that he or she be given a more detailed notice of any charges, as well as an opportunity to formally respond to charges prior to any determination by the Commission that he or she has violated the act.

Time limits for Commission response to a request for an advisory opinion are imposed for the first time. The Commission must respond within 60 days if the request for an advisory opinion is made more than 60 days before an election, and within 20 days if the request is made in the 60 days preceding an election.

Although the language describing the Clearinghouse function at the Federal Election Commission has been revised, the Clearinghouse function remains largely unchanged. It is intended, however, that copies of reports or studies done by the Clearinghouse will be available only upon payment of their cost. The sole exception would be for agencies of the Federal Government.

The bill sets out more clearly the guidelines the Commission is to follow in conducting audits of political committees. A political committee may be audited if it fails to meet threshold requirements for substantial compliance with the act. These threshold requirements are to be established by the Commission. This provision is consistent with the recommendations of the Arthur Andersen Co. evaluation of FEC audit procedures. This report advised the Commission to concentrate audit resources in those areas in which there was a high risk of noncompliance with the act.

Certain revisions are also proposed to the Criminal Code as it applies to political contributions by or to Federal employees. Current provisions of the Criminal Code reflect a longstanding concern that no Federal employee be subject to any form of "political assessment." Consistent with this underlying concern, the revised language permits a Federal employee to make a voluntary contribution to another Federal employee who is not his or her employer or employing authority. No Federal employee may solicit contributions from another Federal employee, although this prohibition does not apply to solicitation of Members of Congress.

Solicitation or receipt of contributions in any room or building occupied by a Federal employee in the course of official duties is prohibited. The sole exception is for contributions received by an individual on the staff of a Member of Congress, provided the contributions are transferred to the Member's political committee within 7 days. This exception

is intended to cover situations in which a contributor, although not requested to, mails or delivers a contribution to a Federal office. The exception does not authorize solicitations from a Federal office, nor does it permit receipt of contributions in a Federal office where such contributions have been solicited in any manner which directs the contributor to return contributions to a Federal office.

A final provision of the bill deals with the disposition of excess campaign funds. Senate rule 46 currently prohibits Members and former Members from converting campaign funds to personal use. The Special Committee on Official Conduct in its report accompanying Senate Resolution 110 in the 95th Congress, recommended that the Federal Election Campaign Act be amended to incorporate the language of the Senate Rule, to insure that the prohibition on converting campaign funds to personal use could be applied to former Members.

A compromise provision reflecting the differing views of the Senate and the House on this issue partially implements the committees' recommendation. Campaign funds may not be converted to personal use, however, an exception is made for current Members of Congress, who would be subject only to the rules of the House or Senate. Members newly elected to the Congress after the date of enactment of this legislation would be subject to the prohibition on converting campaign funds to personal use.

While I do not personally favor carving out this exception, I feel the compromise was necessary to insure passage of a bill which does bring many needed reforms to Federal campaign laws. In my opinion, the current Senate rule, which bars converting any campaign funds to personal use by any Senator or former Senator, accurately reflects the position of the Senate on this issue.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute.

The amendment (UP No. 894) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 5010) was read a third time and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 332, S. 1757, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

LITTLE SISTERS OF THE POOR

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair lay before the Senate H.R. 5645.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5645) to grant to the Little Sister of the Poor all right, title, and interest of the United States in the land comprising certain alleys in the District of Columbia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second time and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CODE REVISION RELATING TO DEPRIVATION OF CERTAIN RIGHTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to lay before the Senate H.R. 3343.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3343) to permit civil suits under section 1979 of the Revised Statutes (42 U.S.C. 1983) against any person acting under color of any law or custom of the District of Columbia who subjects any person within the jurisdiction of the District of Columbia to the deprivation of any right, privilege, or immunity secured by the Constitution and laws.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second time and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that on the table.

The motion to lay on the table was agreed to.

DISTRICT OF COLUMBIA LEGISLATION

Mr. EAGLETON. Mr. President, two bills of concern to the District of Columbia have been held at the desk since House passage of the measures by voice vote on November 27. I urge my colleagues to act on both measures before the Christmas recess.

The first bill, H.R. 5645, would relinquish a Federal reversionary interest in some alleys in the District of Columbia to the owners of the adjoining parcels, the Little Sisters of the Poor.

Since 1871, the Little Sisters of the Poor have operated a Convent and St. Joseph's Home for the Aged on the block bounded by 2d and 3d Streets and "H" and "I" Streets in Northeast Washington. The home was a nursing facility for the elderly poor of the Washington area.

In 1893, the 53d Congress enacted, "An act to close alleys in square numbered 751 in the city of Washington, District of Columbia," 28 Stat. 21 (December 12, 1893), which closed all the alleys on that parcel and conveyed title therein to the Little Sisters of the Poor, provided that the adjoining land remained used for charitable purposes. The effect of this law was to close two 15-foot wide alleys and one 30-foot alley so that the Sisters could erect new buildings and expand their facility.

The Sisters remained on the property with perfect title, until 1976, when construction on the "H" Street overpass with its attendant dirt and noise, made the property unfit for the care of the sick. At that time, the Sisters were forced to purchase a new facility in Northeast Washington and moved to the new location. When they attempted to sell St. Joseph's, however, they found that the reversion constituted a cloud on their title to the old alleys. Because there was a period of time when the property stood vacant, the reverter could automatically have gone into effect and they could not convey good title.

Meanwhile the Capital Children's Museum had obtained a Department of Housing and Urban Development innovative projects grant to purchase the facility for its fair market value, \$1.7 million. The museum moved into the buildings on the property in 1978, but the sale has not been completed due to the question of ownership of the alleys. Those alleys, however, are no longer in existence as buildings were erected over their boundaries several times in the past 70 years.

The Capital Children's Museum is a nonprofit organization whose use of the 3d and "H" Street property will fulfill the charitable use restriction enacted by the 53d Congress. If the Little Sisters of the Poor had been able to sell the property directly to the Children's Museum before moving out, they could have sold the entire parcel, and the question of ownership of alleys would not have been raised. But, because they were forced to abandon their property by necessary construction of the "H" Street overpass around Union Station, both the Sisters and the Capital Children's Museum are being prevented from effectively carrying out their worthy tasks.

H.R. 5645, as amended, grants all right, title, and interest in the alleys on square 751 to the Little Sisters of the Poor. This relinquishes the reversionary interest of the Federal Government and gives complete title to the Little Sisters of the Poor so that the property can be conveyed. The parties involved would like to settle as soon as possible, so I again urge my colleagues to act on this matter forthwith.

The second bill sent over from the House and held at the desk, H.R. 3343, amends section 1983 of title 42 of the United States Code so that residents of the District of Columbia can sue under section 1983 as can all other citizens.

Section 1983 of title 42 United States Code provides:

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory, subjects, or causes

HOUSE FLOOR
DEBATE
ON
H.R. 5010

DECEMBER 20, 1979

There was no objection.
The Clerk read the Senate bill, as follows:

S. 1454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Act of August 10, 1956, as amended (70 Stat. 619) (33 U.S.C. 857a(a)), is amended by adding at the end thereof the following new paragraph:

"(13) Section 716, Commissioned officers: transfers between armed forces."

Sec. 2. Section 716 of title 10, United States Code, is amended—

(1) by inserting the words "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after the term "armed force" wherever it appears in the first sentence

(2) in the second sentence, by striking out the word "and" after the word "Defense" and inserting in place thereof a comma, and by inserting after the word "operating" the words ", and the Secretary of Commerce"; and

(3) inserting the following sentence at the end thereof: "An officer transferred under this section shall be credited for retirement and pay purposes with the same years of service with which he had been credited on the day before his transfer."

Sec. 3. Section 1006 of title 37, United States Code, is amended by inserting the following sentence at the end of subsection (a): "For the purpose of this section the term 'armed force' includes the Commissioned Corps of the National Oceanic and Atmospheric Administration."

Sec. 4. Title 5, United States Code, is amended as follows:

(1) Clause (1)(B) of section 5501 is amended to read "(B) as a member of the armed forces or the Commissioned Corps of the National Oceanic and Atmospheric Administration;" and

(2) Clause (a)(1) of section 5521 is amended by inserting the phrase "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after the phrase "armed forces".

WAYS AND MEANS COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the Ways and Means Committee amendment.

The Clerk read as follows:

Page 5, strike out line 19 and all that follows down through line 4 on page 6, and insert the following:

Sec. 4. (a) Subparagraph (B) of section 8501(1), of title 5, United States Code, is amended to read as follows:

"(B) as a member of the armed forces or the Commissioned Corps of the National Oceanic and Atmospheric Administration;"

(b) Paragraph (1) of section 8521(a) of title 5, United States Code, is amended by inserting "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after "armed forces".

(c) The amendments made by this section shall apply with respect to assignments of services and wages pursuant to any first claim (for a benefit year) which is filed after the date of the enactment of this Act.

Mr. MURPHY of New York (during the reading). Mr. Speaker, I ask unanimous consent that all the committee amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ARMED SERVICES COMMITTEE AMENDMENT

The Armed Services Committee amendment is as follows:

Page 2, strike out line 3 and all that follows down through line 5 on page 3 and insert in lieu thereof the following:

That section 3(a) of the Act of August 10, 1956 (70 Stat. 619; 33 U.S.C. 857a(a)), is amended by adding at the end thereof the following new clause:

(13) Section 716, Commissioned officers: transfers between armed forces and to and from National Oceanic and Atmospheric Administration.

Sec. 2. (a) Section 716 of title 10, United States Code, is amended to read as follows:

"§ 716. Commissioned officers: transfers between armed forces and to and from National Oceanic and Atmospheric Administration

"(a) Notwithstanding any other provision of law, the President may, within authorized strengths, transfer any commissioned officer with his consent from his armed force or from the National Oceanic and Atmospheric Administration to, and appoint him in, another armed force or the National Oceanic and Atmospheric Administration. The Secretary of Defense, the Secretary of the department in which the Coast Guard is operating, and the Secretary of Commerce shall jointly establish, by regulations approved by the President, policies, and procedures for such transfers and appointments.

"(b) An officer transferred under this section—

"(1) may not be assigned precedence or relative rank higher than that which he held on the day before his transfer; and

"(2) shall be credited for retirement and pay purposes with the same years of service with which he had been credited on the day before his transfer."

(b) The item relating to such section in the table of sections at the beginning of chapter 41 of such title is amended to read as follows:

716. Commissioned officers: transfers between armed forces and to and from National Oceanic and Atmospheric Administration.

Sec. 3. Section 1006 of title 37, United States Code, is amended—

(1) by striking out "an armed force or of the Public Health Service" in subsections (a), (b), and (c) and inserting in lieu thereof "a uniformed service";

(2) by striking out "members of the armed forces or of the Public Health Service" in subsection (c) and inserting in lieu thereof "members of the uniformed services";

(3) by striking out "from his armed force or from the Public Health Service" in subsection (d) and inserting in lieu thereof "a uniformed service";

(4) by striking out "armed forces and the Public Health Service" in subsection (e) and inserting in lieu thereof "uniformed services"; and

(5) by striking out "an armed force or of the Public Health Service" in subsection (h) and inserting in lieu thereof "a uniformed service".

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

● Mr. STUDDS. Mr. Speaker, I rise in support of S. 1454, one of the least controversial bills this body has had an opportunity to vote on this Congress. Essentially, S. 1454 as amended would enable officers of the Commissioned Officer Corps of the National Oceanic and Atmospheric Administration (NOAA) to

transfer laterally and voluntarily to a branch of the Armed Forces. Officers in the Armed Forces would likewise be able to transfer to the NOAA Corps. In addition, advance payments and unemployment benefits currently available to officers in the armed services would also be extended to NOAA Corps officers through enactment of this legislation.

The primary mission of the NOAA Corps is the operation of NOAA's research ships and aircraft, and NOAA Corps officers can be transferred from the Department of Commerce to the Department of Defense in time of war. However, NOAA Corps officers do not enjoy all of the benefits available to officers in the Armed Services. Currently, if an officer of the Armed Forces desires to transfer to the NOAA Corps he or she must first resign that commission and then seek a new one in NOAA. Since NOAA's statutory authority limits appointments to the lowest three officer grades, anyone above the rank of lieutenant would probably be dissuaded from such a transfer. Statutory authority for appointments to the Armed Forces poses similar barriers to NOAA Corps officers. In any case, high ranking officers from either service are discouraged under law from staying within the service of the Government—which loses highly trained personnel.

In summary, S. 1454 would simply amend several laws pertaining to the NOAA Corps in order to bring these officers into closer parity with officers in the Armed Forces. I urge that S. 1454 be passed with the technical amendments and returned to the other body. ●

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to authorize the voluntary interservice transfer of officers between the commissioned corps of the National Oceanic and Atmospheric Administration and the Armed Forces, to authorize advance payments of pay and allowances to officers of such corps under the same conditions that apply to advance payments to members of the Armed Forces, and to provide officers of such corps the same unemployment compensation benefits that apply to members of the Armed Forces."

A motion to reconsider was laid on the table.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1979

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5010) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Fed-

eral Election Campaign Act Amendments of 1979".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

DEFINITIONS

SEC. 101. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), hereinafter in this Act referred to as the "Act", is amended to read as follows:

"DEFINITIONS

"SEC. 301. When used in this Act:

"(1) The term 'election' means—

"(A) a general, special, primary, or runoff election;

"(B) a convention or caucus of a political party which has authority to nominate a candidate;

"(C) a primary election held for the selection of delegates to a national nominating convention of a political party; and

"(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—

"(A) if such individual has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000; or

"(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of \$5,000 or has made such expenditures aggregating in excess of \$5,000.

"(3) The term 'Federal office' means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

"(4) The term 'political committee' means—

"(A) any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year; or

"(B) any separate segregated fund established under the provisions of section 316 (b); or

"(C) any local committee of a political party which receives contributions aggregating in excess of \$5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301 (8) and (9) aggregating in excess of \$5,000 during a calendar year, or makes contributions aggregating in excess of \$1,000 during a calendar year or makes expenditures aggregating in excess of \$1,000 during a calendar year.

"(5) The term 'principal campaign committee' means a political committee designated and authorized by a candidate under section 302(e) (1).

"(6) The term 'authorized committee' means the principal campaign committee or any other political committee authorized by a candidate under section 302(e) (1) to receive contributions or make expenditures on behalf of such candidate.

"(7) The term 'connected organization' means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee.

"(8) (A) The term 'contribution' includes—

"(i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

"(ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

"(B) The term 'contribution' does not include—

"(i) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee;

"(ii) the use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an individual to any candidate or any political committee of a political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of such invitations, food, and beverages provided by such individual on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(iii) the sale of any food or beverage by a vendor for use in any candidate's campaign or for use by or on behalf of any political committee of a political party at a charge less than the normal comparable charge, if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activity by such vendor on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(iv) any unreimbursed payment for travel expenses made by any individual on behalf of any candidate or any political committee of a political party, to the extent that the cumulative value of such activity by such individual on behalf of any single candidate does not exceed \$1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed \$2,000 in any calendar year;

"(v) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to any cost incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(vi) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vii) any loan of money by a State bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, other than any overdraft made with respect to a checking or savings account, made in accordance with applicable law and in the ordinary course of business, but such loan—

"(I) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors;

"(II) shall be made on a basis which assures repayment, evidenced by a written instrument, and subject to a due date or amortization schedule; and

"(III) shall bear the usual and customary interest rate of the lending institution;

"(viii) any gift, subscription, loan, advance, or deposit of money or anything of value to a national or a State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office;

"(ix) any legal or accounting services rendered to or on behalf of—

"(I) any political committee of a political party if the person paying for such services is the regular employer of the person rendering such services and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) an authorized committee of a candidate or any other political committee, if the person paying for such services is the regular employer of the individual rendering such services and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(x) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided, That—*

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(xi) the payment by a candidate, for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising): *Provided, That* such payments are made from contributions subject to the limitations and prohibitions of this Act;

"(xii) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided, That—*

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates;

"(xiii) payments made by a candidate or the authorized committee of a candidate as a condition of ballot access and payments received by any political party committee as a condition of ballot access; and

"(xiv) any honorarium (within the meaning of section 323 of this Act).

"(9) (A) The term 'expenditure' includes—

"(i) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office; and

"(ii) a written contract, promise, or agreement to make an expenditure.

"(B) The term 'expenditure' does not include—

"(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(ii) nonpartisan activity designed to encourage individuals to vote or to register to vote;

"(iii) any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if such costs exceed \$2,000 for any election, be reported to the Commission in accordance with section 304(a)(4)(A)(i), and in accordance with section 304(a)(4)(A)(ii) with respect to any general election;

"(iv) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(v) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vi) any costs incurred by an authorized committee or candidate in connection with the solicitation of contributions on behalf of such candidate, except that this clause shall not apply with respect to costs incurred by an authorized committee of a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b), but all such costs shall be reported in accordance with section 304(b);

"(vii) the payment of compensation for legal or accounting services—

"(I) rendered to or on behalf of any political committee of a political party if the person paying for such services is the regular employer of the individual rendering such

services, and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) rendered to or on behalf of a candidate or political committee if the person paying for such services is the regular employer of the individual rendering such services, and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(viii) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided, That—*

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided, That—*

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and

"(x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or the appropriate State official.

"(10) The term 'Commission' means the Federal Election Commission.

"(11) The term 'person' includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.

"(12) The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(13) The term 'identification' means—

"(A) in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer; and

"(B) in the case of any other person, the full name and address of such person.

"(14) The term 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

"(15) The term 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for

the day-to-day operation of such political party at the State level, as determined by the Commission.

"(16) The term 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(18) The term 'clearly identified' means that—

"(A) the name of the candidate involved appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.

"(19) The term 'Act' means the Federal Election Campaign Act of 1971 as amended."

ORGANIZATION OF POLITICAL COMMITTEES

Sec. 102. Section 302 of the Act (2 U.S.C. 432) is amended to read as follows:

"ORGANIZATION OF POLITICAL COMMITTEES

"Sec. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

"(b) (1) Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receiving such contribution, forward to the treasurer such contribution, and if the amount of the contribution is in excess of \$50 the name and address of the person making the contribution and the date of receipt.

"(2) Every person who receives a contribution for a political committee which is not an authorized committee shall—

"(A) if the amount of the contribution is \$50 or less, forward to the treasurer such contribution no later than 30 days after receiving the contribution; and

"(B) if the amount of the contribution is in excess of \$50, forward to the treasurer such contribution, the name and address of the person making the contribution, and the date of receipt of the contribution, no later than 10 days after receiving the contribution.

"(3) All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

"(c) The treasurer of a political committee shall keep an account of—

"(1) all contributions received by or on behalf of such political committee;

"(2) the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person;

"(3) the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year, together with the date and amount of any such contribution;

"(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution; and

"(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disburse-

ment, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of \$200.

"(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed.

"(e) (1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with subsection (f) (1).

"(2) Any candidate described in paragraph (1) who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

"(3) (A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(i) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee, but only if that national committee maintains separate books of account with respect to its function as a principal campaign committee; and

"(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

"(B) As used in this section, the term 'support' does not include a contribution by any authorized committee in amounts of \$1,000 or less to an authorized committee of any other candidate.

"(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

"(5) The name of any separate segregated fund established pursuant to section 316(b) shall include the name of its connected organization.

"(f) (1) Notwithstanding any other provision of this Act, each designation, statement, or report of receipts or disbursements made by an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

"(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under paragraph (1) and shall compile and file such designations, statements, and reports in accordance with this Act.

"(g) (1) Designations, statements, and reports required to be filed under this Act by a candidate or by an authorized committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and by the principal campaign committee of such a candidate, shall be filed with the Clerk of the House of Representatives, who shall receive

such designations, statements, and reports as custodian for the Commission.

"(2) Designations, statements, and reports required to be filed under this Act by a candidate for the office of Senator, and by the principal campaign committee of such candidate, shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

"(3) The Clerk of the House of Representatives and the Secretary of the Senate shall forward a copy of any designation, statement, or report filed with them under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

"(4) All designations, statements, and reports required to be filed under this Act, except designations, statements, and reports filed in accordance with paragraphs (1) and (2), shall be filed with the Commission.

"(5) The Clerk of the House of Representatives and the Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a) (4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311(a) (5).

"(h) (1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

"(2) A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c) (5).

"(i) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954."

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 103. Section 303 of the Act (2 U.S.C. 433) is amended to read as follows:

"REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

"SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e) (1). Each separate segregated fund established under the provisions of section 316(b) shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

"(b) The statement of organization of a political committee shall include—

"(1) the name, address, and type of committee;

"(2) the name, address, relationship, and type of any connected organization or affiliated committee;

"(3) the name, address, and position of the custodian of books and accounts of the committee;

"(4) the name and address of the treasurer of the committee;

"(5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; and

"(6) a listing of all banks, safety deposit boxes, or other depositories used by the committee.

"(c) Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.

"(d) (1) A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.

"(2) Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—

"(A) the determination of insolvency with respect to any political committee;

"(B) the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and

"(C) the termination of an insolvent political committee after such liquidation and application of assets."

REPORTS

SEC. 104. Section 304 of the Act (2 U.S.C. 434) is amended to read as follows:

"REPORTS

"SEC. 304. (a) (1) Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection. The treasurer shall sign each such report.

"(2) If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate—

"(A) in any calendar year during which there is regularly scheduled election for which such candidate is seeking election, or nomination for election, the treasurer shall file the following reports:

"(i) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election;

"(ii) a post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be complete as of the 20th day after such general election; and

"(iii) additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter; except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year; and

"(B) in any other calendar year the following reports shall be filed:

"(i) a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31; and

"(ii) a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.

"(3) If the committee is the principal cam-

paigned committee of a candidate for the office of President—

"(A) in any calendar year during which a general election is held to fill such office—

"(i) the treasurer shall file monthly reports if such committee has on January 1 of such year, received contributions aggregating \$100,000 or made expenditures aggregating \$100,000 or anticipates receiving contributions aggregating \$100,000 or more or making expenditures aggregating \$100,000 or more during such year; such monthly reports shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month, except that, in lieu of filing the report otherwise due in November and December, a pre-general election report shall be filed in accordance with paragraph (2) (A) (i), a post-general election report shall be filed in accordance with paragraph (2) (A) (ii), and a year end report shall be filed no later than January 31 of the following calendar year;

"(ii) the treasurer of the other principal campaign committees of a candidate for the office of President shall file a pre-election report or reports in accordance with paragraph (2) (A) (i), a post-general election report in accordance with paragraph (2) (A) (ii), and quarterly reports in accordance with paragraph (2) (A) (iii); and

"(iii) if at any time during the election year a committee filing under paragraph (3) (A) (i) receives contributions in excess of \$100,000 or makes expenditures in excess of \$100,000, the treasurer shall begin filing monthly reports under paragraph (3) (A) (i) at the next reporting period; and

"(B) in any other calendar year, the treasurer shall file either—

"(i) monthly reports, which shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month; or

"(ii) quarterly reports, which shall be filed no later than the 20th day after the last day of each calendar quarter and which shall be complete as of the last day of each calendar quarter.

"(4) All political committees other than authorized committees of a candidate shall file either—

"(A) (i) quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter; except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year;

"(ii) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election;

"(iii) a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and

"(iv) in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year; or

"(3) monthly reports in all calendar years which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with paragraph (2) (A) (i), a post-general elec-

tion report shall be filed in accordance with paragraph (2) (A) (ii), and a year end report shall be filed no later than January 31 of the following calendar year.

"(5) If a designation, report, or statement filed pursuant to this Act (other than under paragraph (2) (A) (i) or (4) (A) (ii)) is sent by registered or certified mail, the United States postmark shall be considered the date of filing of the designation, report, or statement.

"(6) (A) The principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of \$1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

"(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this Act.

"(7) The reports required to be filed by this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

"(8) The requirement for a political committee to file a quarterly report under paragraph (2) (A) (iii) or paragraph (4) (A) (i) shall be waived if such committee is required to file a pre-election report under paragraph (2) (A) (i), or paragraph (4) (A) (ii) during the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

"(9) The Commission shall set filing dates for reports to be filed by principal campaign committees of candidates seeking election, or nomination for election, in special elections and political committees filing under paragraph (4) (A) which make contributions to or expenditures on behalf of a candidate or candidates in special elections. The Commission shall require no more than one pre-election report for each election and one post-election report for the election which fills the vacancy. The Commission may waive any reporting obligation of committees required to file for special elections if any report required by paragraph (2) or (4) is required to be filed within 10 days of a report required under this subsection. The Commission shall establish the reporting dates within 5 days of the setting of such election and shall publish such dates and notify the principal campaign committees of all candidates in such election of the reporting dates.

"(10) The treasurer of a committee supporting a candidate for the office of Vice President (other than the nominee of a political party) shall file reports in accordance with paragraph (3).

"(b) Each report under this section shall disclose—

"(1) the amount of cash on hand at the beginning of the reporting period;

"(2) for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the following categories:

"(A) contributions from persons other than political committees;

"(B) for an authorized committee, contributions from the candidate;

"(C) contributions from political party committees;

"(D) contributions from other political committees;

"(E) for an authorized committee, trans-

fers from other authorized committees of the same candidate;

"(F) transfers from affiliated committees, and, where the reporting committee is a political party committee, transfers from other political party committees, regardless of whether such committees are affiliated;

"(G) for an authorized committee, loans made by or guaranteed by the candidate;

"(H) all other loans;

"(I) rebates, refunds, and other offsets to operating expenditures;

"(J) dividends, interest, and other forms of receipts; and

"(K) for an authorized committee of a candidate for the office of President, Federal funds received under chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

"(3) the identification of each—

"(A) person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution;

"(B) political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(C) authorized committee which makes a transfer to the reporting committee;

"(D) affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee from another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer;

"(E) person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount or value of such loan;

"(F) person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of such receipt; and

"(G) person who provides any dividend, interest, or other receipt to the reporting committee in an aggregate value or amount in excess of \$200 within the calendar year, together with the date and amount of any such receipt;

"(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

"(A) expenditures made to meet candidate or committee operating expenses;

"(B) for authorized committees, transfers to other committees authorized by the same candidate;

"(C) transfers to affiliated committees and, where the reporting committee is a political party committee, transfers to other political party committees, regardless of whether they are affiliated;

"(D) for an authorized committee, repayment of loans made by or guaranteed by the candidate;

"(E) repayment of all other loans;

"(F) contribution refunds and other offsets to contributions;

"(G) for an authorized committee, any other disbursements;

"(H) for any political committee other than an authorized committee—

"(i) contributions made to other political committees;

"(ii) loans made by the reporting committees;

"(iii) independent expenditures;

"(iv) expenditures made under section 315(d) of this Act; and

"(v) any other disbursements; and

"(I) for an authorized committee of a candidate for the office of President, disbursements not subject to the limitation of section 315(b);

"(5) the name and address of each—

"(A) person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure;

"(B) authorized committee to which a transfer is made by the reporting committee;

"(C) affiliated committee to which a transfer is made by the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds by the reporting committee to another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfers;

"(D) person who receives a loan repayment from the reporting committee during the reporting period together with the date and amount of such loan repayment; and

"(E) person who receives a contribution refund or other offset to contributions from the reporting committee where such contribution was reported under paragraph (3) (A) of this subsection, together with the date and amount of such disbursement;

"(6) (A) for an authorized committee, the name and address of each person who has received any disbursement not disclosed under paragraph (5) in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such disbursement;

"(B) for any other political committee, the name and address of each—

"(1) political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(ii) person who has received a loan from the reporting committee during the reporting period, together with the date and amount of such loan;

"(iii) person who receives any disbursement during the reporting period in an aggregate amount or value in excess of \$200 within the calendar year in connection with an independent expenditure by the reporting committee, together with the date, amount, and purpose of any such independent expenditure and a statement which indicates whether such independent expenditure is in support of, or in opposition to, a candidate, as well as the name and office sought by such candidate, and a certification, under penalty of perjury, whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such committee;

"(iv) person who receives any expenditure from the reporting committee during the reporting period in connection with an expenditure under section 315(d) in the Act, together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made; and

"(v) person who has received any disbursement not otherwise disclosed in this paragraph or paragraph (5) in an aggregate amount or value in excess of \$200 within the calendar year from the reporting committee within the reporting period, together with the date, amount, and purpose of any such disbursement;

"(7) the total sum of all contributions to such political committee, together with the total contributions less offsets to contributions and the total sum of all operating expenditures made by such political commit-

tee, together with total operating expenditure less offsets to operating expenditures, for both the reporting period and the calendar year; and

"(8) the amount and nature of outstanding debts and obligations owed by or to such political committee; and where such debts and obligations are settled for less than their reported amount or value, a statement as to the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefor.

"(c) (1) Every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall file a statement containing the information required under subsection (b) (3) (A) for all contributions received by such person.

"(2) Statements required to be filed by this subsection shall be filed in accordance with subsection (a) (2), and shall include—

"(A) the information required by subsection (b) (6) (B) (iii), indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved;

"(B) under penalty of perjury, a certification whether or not such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

"(C) the identification of each person who made a contribution in excess of \$200 to the person filing such statement which was made for the purpose of furthering an independent expenditure.

Any independent expenditure (including those described in subsection (b) (6) (B) (iii)) aggregating \$1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made. Such statement shall be filed with the Clerk, the Secretary, or the Commission and the Secretary of State and shall contain the information required by subsection (b) (6) (B) (iii) indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved.

"(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all independent expenditures separately, including those reported under subsection (b) (6) (B) (iii), made by or for each candidate, as reported under this subsection, and for periodically publishing such indices on a timely pre-election basis."

FEDERAL ELECTION COMMISSION

SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is amended—

(1) by striking out sections 305, 306, 308, 311, 318, and 329;

(2) by redesignating section 307 as section 305;

(3) by redesignating sections 309 and 310 as sections 306 and 307, respectively;

(4) by redesignating sections 312 through 317 as sections 308 through 313, respectively;

(5) by redesignating sections 319 through 328 as sections 314 through 323, respectively; and

(6) by amending section 306, as so redesignated by section 105(a) (3), to read as follows:

"FEDERAL ELECTION COMMISSION

"SEC. 306. (a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

"(2) (A) Members of the Commission shall

serve for terms of 6 years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) A member of the Commission may serve on the Commission after the expiration of his or her term until his or her successor has taken office as a member of the Commission.

"(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he or she succeeds.

"(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

"(3) Members shall be chosen on the basis of their experience, integrity, impartiality and good judgment and members (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Federal Government. Such members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time or his or her appointment to the Commission shall terminate or liquidate such activity no later than 30 days after such appointment.

"(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. A member may serve as chairman only once during any term of office to which such member is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

"(b) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this Act shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

"(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this Act shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his or her vote or any decisionmaking authority or duty vested in the Commission by the provisions of this Act, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to take any action in accordance with paragraph (8), (7), (8), or (9) of section 307(a) of this Act or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(d) The Commission shall meet at least once each month and also at the call of any member.

"(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

"(f) (1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he or she considers desirable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"(4) Notwithstanding the provisions of paragraph (2), the Commission is authorized to appear in and defend against any action instituted under this Act, either (A) by attorneys employed in its office, or (B) by counsel whom it may appoint, on a temporary basis as may be necessary for such purpose, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title. The compensation of counsel so appointed on a temporary basis shall be paid out of any funds otherwise available to pay the compensation of employees of the Commission."

POWERS OF THE COMMISSION

SEC. 106. Section 307, as so redesignated in section 105(a)(3), is amended to read as follows:

"POWERS OF THE COMMISSION

"SEC. 307. (a) The Commission has the power—

"(1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission may prescribe;

"(2) to administer oaths or affirmations;

"(3) to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 309(a)(8) of this Act) or appeal any civil action in the name of the Commission to enforce the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

"(7) to render advisory opinions under section 308 of this Act;

"(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

"(9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a), issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d) (1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(e) Except as provided in section 309(a)(8) of this Act, the power of the Commission to initiate civil actions under subsection (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this Act."

ADVISORY OPINIONS

SEC. 107. (a) Section 308 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ADVISORY OPINIONS

"SEC. 308. (a) (1) Not later than 60 days after the Commission receives from a person a complete written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a rule or regulation prescribed by the Commission, with respect to a specific transaction or activity by the person, the Commission shall render a written advisory opinion relating to such transaction or activity to the person.

"(2) If an advisory opinion is requested by a candidate, or any authorized committee of such candidate, during the 60-day period before any election for Federal office involving the requesting party, the Commission shall render a written advisory opinion relating to such request no later than 20 days after the Commission receives a complete written request.

"(b) Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to procedures established in section 311(d). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

"(c) (1) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by—

"(A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and

"(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(2) Notwithstanding any other provisions of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (1) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(d) The Commission shall make public any request made under subsection (a) for an advisory opinion. Before rendering an advisory opinion, the Commission shall accept written comments submitted by any interested party within the 10-day period following the date the request is made public."

ENFORCEMENT

SEC. 108. Section 309 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ENFORCEMENT

"SEC. 309. (a) (1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18, United States Code. Within 5 days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within 15 days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

"(2) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of 4 of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis for such alleged violation. The Commission shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.

"(3) The general counsel of the Commission shall notify the respondent of any recommendation to the Commission by the general counsel to proceed to a vote on prob-

able cause pursuant to paragraph (4) (A) (1). With such notification, the general counsel shall include a brief stating the position of the general counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, respondent may submit a brief stating the position of such respondent on the legal and factual issues of the case, and replying to the brief of general counsel. Such briefs shall be filed with the Secretary of the Commission and shall be considered by the Commission before proceeding under paragraph (4).

"(4) (A) (1) Except as provided in clause (ii), if the Commission determines, by an affirmative vote of 4 of its members, that there is probable cause to believe that any person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall attempt, for a period of at least 30 days, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any person involved. Such attempt by the Commission to correct or prevent such violation may continue for a period of not more than 90 days. The Commission may not enter into a conciliation agreement under this clause except pursuant to an affirmative vote of 4 of its members. A conciliation agreement, unless violated, is a complete bar to any further action by the Commission, including the bringing of a civil proceeding under paragraph (6) (A).

"(ii) If any determination of the Commission under clause (i) occurs during the 45-day period immediately preceding any election, then the Commission shall attempt, for a period of at least 15 days, to correct or prevent the violation involved by the methods specified in clause (i).

"(B) (1) No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission under subparagraph (A) may be made public by the Commission without the written consent of the respondent and the Commission.

"(ii) If a conciliation agreement is agreed upon by the Commission and the respondent, the Commission shall make public any conciliation agreement signed by both the Commission and the respondent. If the Commission makes a determination that a person has not violated this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make public such determination.

"(5) (A) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4) (A) may require that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(C) If the Commission by an affirmative vote of 4 of its members, determines that there is probable cause to believe that a knowing and willful violation of this Act which is subject to subsection (d), or a knowing and willful violation of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the At-

torney General of the United States without regard to any limitations set forth in paragraph (4) (A).

"(D) In any case in which a person has entered into a conciliation agreement with the Commission under paragraph (4) (A), the Commission may institute a civil action for relief under paragraph (5) (A) if it believes that the person has violated any provision of such conciliation agreement. For the Commission to obtain relief in any civil action, the Commission need only establish that the person has violated, in whole or in part, any requirement of such conciliation agreement.

"(6) (A) If the Commission is unable to correct or prevent any violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, by the methods specified in paragraph (4) (A), the Commission may, upon an affirmative vote of 4 of its members, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order (including an order for a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

"(B) In any civil action instituted by the Commission under subparagraph (A), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(c) In any civil action for relief instituted by the commission under subparagraph (A), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty which does not exceed the greater of \$10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(7) In any action brought under paragraph (5) or (6), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

"(8) (A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.

"(B) Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.

"(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

"(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 310 of this Act).

"(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

"(12) (A) Any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

"(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than \$2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than \$5,000.

"(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a) (2) (A) (iii) for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a) (2) (A) (1), the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a) (7), publish before the election the name of the person and the report or reports such person has failed to file.

"(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

"(d) (1) (A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution or expenditure aggregating \$2,000 or more during a calendar year shall be fined, or imprisoned for not more than one year, or both. The amount of this fine shall not exceed the greater of \$25,000 or 300 percent of any contribution or expenditure involved in such violation.

"(B) In the case of a knowing and willful violation of section 316(b) (3), the penalties set forth in this subsection shall apply to a violation involving an amount aggregating \$250 or more during a calendar year. Such violation of section 316(b) (3) may incorporate a violation of section 317(b), 320, or 321.

"(C) In the case of a knowing and willful violation of section 322, the penalties set forth in this subsection shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

"(2) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, any defendant may evidence their lack of knowledge or intent to commit the alleged violation by introducing as evidence a conciliation agreement entered into between the defendant and the Commission under subsection (a) (4) (A) which specifically deals with the act or failure to act constituting such violation and which is still in effect.

"(3) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Rev-

enue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the violation and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

“(A) the specific act or failure to act which constitutes the violation for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under subparagraph (a) (4) (A);

“(B) the conciliation agreement is in effect; and

“(C) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement.”

ADMINISTRATIVE PROVISIONS

SEC. 109. Section 311 of the Act, as so redesignated in section 105(a) (4), is amended to read as follows:

“ADMINISTRATIVE PROVISIONS

“Sec. 311. (a) The Commission shall—

“(1) prescribe forms necessary to implement this Act;

“(2) prepare, publish, and furnish to all persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting;

“(3) develop a filing, coding, and cross-indexing system consistent with the purposes of this Act;

“(4) within 48 hours after the time of the receipt by the Commission of reports and statements filed with it, make them available for public inspection, and copying, at the expense of the person requesting such copying, except that any information copied from such reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. A political committee may submit 10 pseudonyms on each report filed in order to protect against the illegal use of names and addresses of contributors, provided such committee attaches a list of such pseudonyms to the appropriate report. The Clerk, Secretary, or the Commission shall exclude these lists from the public record;

“(5) keep such designations, reports, and statements for a period of 10 years from the date of receipt, except that designations, reports, and statements that relate solely to candidates for the House of Representatives shall be kept for 5 years from the date of their receipt;

“(6) (A) compile and maintain a cumulative index of designations, reports, and statements filed under this Act, which index shall be published at regular intervals and made available for purchase directly or by mail;

“(B) compile, maintain, and revise a separate cumulative index of reports and statements filed by multi-candidate committees, including in such index a list of multi-candidate committees; and

“(C) compile and maintain a list of multi-candidate committees, which shall be revised and made available monthly;

“(7) prepare and publish periodically lists of authorized committees which fail to file reports as required by this Act;

“(8) prescribe rules, regulations, and forms to carry out the provisions of this Act, in accordance with the provisions of subsection (d);

“(9) transmit to the President and to each House of the Congress no later than June 1 of each year, a report which states in detail the activities of the Commission in carrying out its duties under this Act, and any recommendations for any legislative or other action the Commission considers appropriate; and

“(10) serve as a national clearinghouse for

the compilation of information and review of procedures with respect to the administration of Federal elections. The Commission may enter into contracts for the purpose of conducting studies under this paragraph. Reports or studies made under this paragraph shall be available to the public upon the payment of the cost thereof, except that copies shall be made available without cost, upon request, to agencies and branches of the Federal Government.

“(b) The Commission may conduct audits and filed investigations of any political committee required to file a report under section 304 of this Act. All audits and field investigations concerning the verification for, and receipt and use of, any payments received by a candidate or committee under chapter 95 or chapter 96 of the Internal Revenue Code of 1954 shall be given priority. Prior to conducting any audit under this subsection, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act. Such thresholds for compliance shall be established by the Commission. The Commission may, upon an affirmative vote of four of its members, conduct an audit and field investigation of any committee which does not meet the threshold requirements established by the Commission. Such audit shall be commenced within 30 days of such vote, except that any audit of an authorized committee of a candidate, under the provisions of this subsection, shall be commenced within 6 months of the election for which such committee is authorized.

“(c) Any forms prescribed by the Commission under subsection (a) (1), and any information-gathering activities of the Commission under this Act, shall not be subject to the provisions of section 3512 of title 44, United States Code.

“(d) (1) Before prescribing any rule, regulation, or form under this section or any other provision of this Act, the Commission shall transmit a statement with respect to such rule, regulation, or form to the Senate and the House of Representatives, in accordance with this subsection. Such statement shall set forth the proposed rule, regulation, or form, and shall contain a detailed explanation and justification of it.

“(2) If either House of the Congress does not disapprove by resolution any proposed rule or regulation submitted by the Commission under this section within 30 legislative days after the date of the receipt of such proposed rule or regulation or within 10 legislative days after the date of receipt of such proposed form, the Commission may prescribe such rule, regulation, or form.

“(3) For purposes of this subsection, the term ‘legislative day’ means, with respect to statements transmitted to the Senate, any calendar day on which the Senate is in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is in session.

“(4) For purposes of this subsection, the terms ‘rule’ and ‘regulation’ mean a provision or series of interrelated provisions stating a single, separable rule of law.

“(5) (A) A motion to discharge a committee of the Senate from the consideration of a resolution relating to any such rule, regulation, or form or a motion to proceed to the consideration of such a resolution, is highly privileged and shall be decided without debate.

“(B) Whenever a committee of the House of Representatives reports any resolution relating to any such form, rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The

motion is highly privileged and is not debatable. An amendment to the motion is not in order, and is not in order to move to reconsider the vote by which the motion is agreed to or disagreed with.

“(e) Notwithstanding any other provision of law, any person who relies upon any rule or regulation prescribed by the Commission in accordance with the provisions of this section and who acts in good faith in accordance with such rule or regulation shall not, as a result of such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

“(f) In prescribing such rules, regulations, and forms under this section, the Commission and the Internal Revenue Service shall consult and work together to promulgate rules, regulations and forms which are mutually consistent. The Commission shall report to the Congress annually on the steps it has taken to comply with this subsection.”

STATEMENTS FILED WITH STATE OFFICERS

SEC. 110. Section 312 of the Act, as so redesignated in section 105(a) (4), is amended to read as follows:

“STATEMENTS FILED WITH STATE OFFICERS

“Sec. 312. (a) (1) A copy of each report and statement required to be filed by any person under this Act shall be filed by such person with the Secretary of State (or equivalent State officer) of the appropriate State, or, if different, the officer of such State who is charged by State law with maintaining State election campaign reports. The chief executive officer of such State shall designate any such officer and notify the Commission of any such designation.

“(2) For purposes of this subsection, the term ‘appropriate State’ means—

“(A) for statements and reports in connection with the campaign for nomination for election of a candidate to the office of President or Vice President, each State in which an expenditure is made on behalf of the candidate; and

“(B) for statements and reports in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the State in which the candidate seeks election; except that political committees other than authorized committees are only required to file, and Secretaries of State required to keep, that portion of the report applicable to candidates seeking election in that State.

“(b) The Secretary of State (or equivalent State officer), or the officer designated under subsection (a) (1), shall—

“(1) receive and maintain in an orderly manner all reports and statements required by this Act to be filed therewith;

“(2) keep such reports and statements (either in original filed form or in facsimile copy by microfilm or otherwise) for 2 years after their date of receipt;

“(3) make each report and statement filed therewith available as soon as practicable (but within 48 hours of receipt) for public inspection and copying during regular business hours, and permit copying of any such report or statement by hand or by duplicating machine at the request of any person, except that such copying shall be at the expense of the person making the request; and

“(4) compile and maintain a current list of all reports and statements pertaining to each candidate.”

PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

SEC. 111. Section 318 of the Act, as so redesignated in section 105(a) (5), is amended to read as follows:

"PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS"

"SEC. 318. (a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication—

"(1) if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

"(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized political committee;

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

"(b) No person who sells space in a newspaper or magazine to a candidate or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes."

TECHNICAL AMENDMENTS

SEC. 112. (a) Section 305 of the Act, as so redesignated in section 105(a)(2), is amended—

(1) by striking out "sixty" and inserting in lieu thereof "60";

(2) by striking out "twenty" and inserting in lieu thereof "20"; and

(3) by striking out "Federal Election".

(b) Section 306(c) of the Act, as so redesignated in section 105(a)(3), is amended by striking out "section 310(a)" and inserting in lieu thereof "section 307(a)".

(c) Section 310(a) of the Act, as so redesignated in section 105(a)(4), is amended by striking out "of the United States" the first place it appears therein.

(d) The first sentence of section 316(b)(4)(B) of the Act, as so redesignated in section 105(a)(5), is amended by striking out "it" and inserting in lieu thereof "It".

(e)(1) Section 403(a) of the Domestic Volunteer Service Act of 1973 is amended—

(A) by striking out "section 301(a)" and inserting in lieu thereof "section 301(1)"; and

(B) by striking out "section 301(c)" and inserting in lieu thereof "section 301(3)".

(2) Section 6 of the Department of State Appropriations Authorization Act of 1973 is amended by striking out "section 301(e)" and inserting in lieu thereof "section 301(8)".

USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

SEC. 113. Section 313 of the Act (as redesignated by section 105(4)) is amended to read as follows:

"USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES"

"SEC. 313. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his or her activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office, may be contributed to any organization described in section 170(c) of

the Internal Revenue Code of 1954, or may be used for any other lawful purpose, including transfers without limitation to any national, State, or local committee of any political party; except that, with respect to any individual who is not a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress on the date of the enactment of the Federal Election Campaign Act Amendments of 1979, no such amounts may be converted by any person to any personal use, other than to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office."

TITLE II—AMENDMENTS TO OTHER LAWS
MISCELLANEOUS AMENDMENTS TO TITLE 18, UNITED STATES CODE

SEC. 201. (a)(1) Chapter 29 of title 18, United States Code, is amended by striking out section 591.

(2) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 591.

(3) Section 602 of such title is amended to read as follows:

"SOLICITATION OF POLITICAL CONTRIBUTIONS"

"SEC. 602. It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States.

to knowingly solicit, any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employee, or person. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both."

(4) Section 603 of such title is amended to read as follows:

"MAKING POLITICAL CONTRIBUTIONS"

"SEC. 603. (a) It shall be unlawful for an officer or employee of the United States or any department or agency thereof, or a person receiving any salary or compensation for services from money derived from the Treasury of the United States, to make any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 to any other such officer, employee or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, if the person receiving such contribution is the employer or employing authority of the person making the contribution. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

"(b) For purposes of this section, a contribution to an authorized committee as defined in section 302(e)(1) of the Federal Election Campaign Act of 1971 shall be considered a contribution to the individual who has authorized such committee."

(5) Section 607 of such title is amended to read as follows:

"PLACE OF SOLICITATION"

"SEC. 607. (a) It shall be unlawful for any person to solicit or receive any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 in any room or building occupied in the discharge of official duties by any person mentioned in section 603, or in any navy yard, fort, or arsenal. Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

"(b) The prohibition in subsection (a) shall not apply to the receipt of contributions by persons on the staff of a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, provided that such contributions have not been solicited in any manner which directs the contributor to mail or deliver a contribution to any room, building, or other facility referred to in subsection (a), and provided that such contributions are transferred within seven days of receipt to a political committee within the meaning of section 302(e) of the Federal Election Campaign Act of 1971."

MISCELLANEOUS AMENDMENT TO THE INTERNAL REVENUE CODE OF 1954

SEC. 202. Section 9006(b) of the Internal Revenue Code of 1954 is amended by striking out at the end thereof the figure "\$2,000,000" and inserting in lieu thereof "\$3,000,000".

MISCELLANEOUS AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 203. Section 3132(a)(1) of title 5, United States Code, is amended—

(1) by adding "or" after the semicolon at the end of subparagraph (B); and

(2) by adding the following new subparagraph at the end thereof:

"(C) the Federal Election Commission;".

TITLE III—GENERAL PROVISIONS

EFFECTIVE DATES

SEC. 301. (a) Except as provided in subsection (b), the amendments made by this Act are effective upon enactment.

(b) For authorized committees of candidates for President and Vice President, section 304(b) of the Federal Election Campaign Act of 1971 shall be effective for elections occurring after January 1, 1981.

VOTING SYSTEM STUDY

SEC. 302. The Federal Election Commission, with the cooperation and assistance of the National Bureau of Standards, shall conduct a preliminary study with respect to the future development of voluntary engineering and procedural performance standards for voting systems used in the United States. The Commission shall report to the Congress the results of the study, and such report shall include recommendations, if any, for the implementation of a program of such standards (including estimates of the costs and time requirements of implementing such a program). The cost of the study shall be paid out of any funds otherwise available to defray the expenses of the Commission.

TRANSITION PROVISIONS

SEC. 303. (a) The Federal Election Commission shall transmit to the Congress proposed rules and regulations necessary for the purpose of implementing the provisions of this Act, and the amendments made by this Act, prior to February 29, 1980.

(b) The provisions of section 311(d) of the Federal Election Campaign Act of 1971 allowing disapproval of rules and regulations by either House of Congress within 30 legislative days after receipt shall, with respect to rules and regulations required to be proposed under subsection (a) of this section, be deemed to allow such disapproval within 15 legislative days after receipt.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. FRENZEL. Mr. Speaker, reserving the right to object. I do not intend to object. I reserve the right to object only so that I may ask some questions of the

chairman, and give the gentleman a chance to explain the consensus election bill which the House passed without objection.

Further reserving the right to object, Mr. Speaker, I would like to ask the distinguished gentleman from New Jersey several questions. First, there is the question of the FEC's clearinghouse operation. It is my understanding that the language of the House and the Senate bill has the result of restricting the clearinghouse's activity to Federal elections only, and that it also requires that all of its reports be available to the public only upon the payment of their costs.

□ 1020

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, the gentleman is precisely correct. Only the Federal Government is exempt from paying the cost of the reports.

Mr. FRENZEL. Mr. Speaker, further reserving the right to object, I will say to the committee chairman that there is the question of the effect of the bill on the registration and reporting requirements of State and local separate segregated funds.

In making the change in the law, was it the intent of the committee that a State or local separate segregated fund which does not make contributions or expenditures under the act would be required to register and report under the act?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, it was not the committees' intent that a separate segregated fund established for the purpose of financing political activity in connection with State or local elections should have to register under the act.

Mr. FRENZEL. Mr. Speaker, I thank the committee chairman.

Further reserving the right to object, Mr. Speaker, I assume that the committee recognized that under existing law these State and local separate segregated funds could transfer up to \$1,000 to an affiliate without incurring a registration or reporting requirement.

Was it the intent of the committee to change that situation?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I will say to my distinguished friend, the gentleman from Minnesota (Mr. FRENZEL), that the committee did not intend to change that situation, except that now, of course, the minimum figure on contributions or expenditures by a separate segregated fund is basically \$1; but a transfer from such a fund to a registered separate segregated fund that is affiliated is not considered a contribution or expenditure, and as such would not require a separate account, and as I read the remarks of the senior Senator from

Rhode Island, Senator PELL, on the passage of H.R. 5010, neither did the Senate, as reflected in the CONGRESSIONAL RECORD of December 18, 1979, at page 36754.

The act's purposes would not be served by requiring the local union or corporate subsidiary to register or to report.

Further, I would like to point out that the committee recognizes that there is a reporting obligation on the part of a Federal separate segregated fund which receives transfers from or engages in joint fund-raising activities with a State or local affiliate. These committees must report all transfers from a State or local committee regardless of the amount.

Mr. FRENZEL. Mr. Speaker, I thank the distinguished committee chairman.

Further reserving the right to object, Mr. Speaker, I would like now to yield to the committee chairman so that he can explain the Senate amendment, which, I believe, does no harm to the House bill and in fact substantially enhances it. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman for yielding.

I would be delighted to explain the Senate amendment, but first let me say that this essential legislation would not be before the House today if it were not for the unstinting efforts of my friend and colleague, the gentleman from Minnesota (Mr. FRENZEL). His efforts, and those of his staff, have been heroic.

Mr. Speaker, the Senate amendment consists of a small number of substantive amendments to H.R. 5010, which passed the House unanimously on September 10, 1979.

Mr. Speaker, I will briefly summarize the Senate amendments.

First, in the spirit of continuing to simplify reporting requirements, one of the Senate amendments would raise the reporting threshold for contributions from \$100 to \$200.

Second, the Senate added an amendment to extend from 10 to 30 days the time in which a person receiving a contribution of \$50 or less must forward the contribution to the treasurer of his or her political committee. This recognizes existing difficulty in the handling and transmittal of smaller contributions.

Third, the Senate adopted an amendment which makes clear that the Federal Election Commission should have a personnel policy free of involvement by the executive branch. This amendment specifically exempts the Federal Election Commission from the senior executive service program.

Fourth, the Senate amends the bill to comport with existing House rules on the conversion excess campaign funds. Presently, under House rules Members may not convert such excess campaign funds to their personal use. The Senate amendment would apply that policy to all the Federal candidates, except that current Members of Congress would be subject only to the rules of the House or Senate. With regard to the prohibition on personal use of campaign funds, it is our intent to allow the full repayment of campaign loans made by a candidate to

his or her authorized committees and not to classify these repayments as a personal use.

A final major change is a provision to expedite the promulgation of regulations by the Federal Election Commission necessary to implement H.R. 5010. The legislative veto provisions have been shortened in this case only, from 30 days to 15 days.

Mr. Speaker, there are other substantive and technical changes, but this highlights the provisions of the Senate amendment.

Finally, several general comments:

We have abolished random audits and substituted clear procedures for the commission to follow before instituting any audit. The Commission will be only able to audit a candidate's committee when its reports fail to satisfy specific threshold requirements for substantial compliance, and then only after the Commission has voted by an affirmative vote of four members to proceed. Additionally, any audit must begin within 30 days of a vote to audit and the audit of a candidate's committee must begin within 6 months following the election.

It is the hope of the House that the Commission in setting the threshold requirements for auditing noncandidate political action committees will set those requirements sufficiently low as to enable the Commission to continue its vigorous, thorough, and needed review of these committees.

Although the legislation requires a disclaimer for political advertising and solicitation, it is not our intention to require that this disclaimer appear on the front face or page of such material. However, the disclaimer must be presented in a manner to give the reader or observer adequate notice.

The Commission should interpret the new disclaimer requirements in a reasonable manner. There should be a period of transition whereby the disclaimer required under current law would suffice.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for that explanation, and I do concur in his description and in the answers he gave to my questions.

Mr. Speaker, further reserving the right to object, on behalf of the minority, particularly the ranking minority member of the committee, the gentleman from Alabama (Mr. DICKINSON), and on behalf of all our Members, I would like to congratulate the distinguished gentleman from New Jersey (Mr. THOMPSON) and both Senators PELL and HATFIELD for the work they have done on this bill. It was a consensus bill. The committees of both the House and Senate decided to lay aside the difficult issues on which we enjoy going to war, and instead to pass the items in this bill which will simplify and make life easier for candidates, for the parties, for volunteers, and for everybody. We all knew that these changes had to be made, and now they are being made.

I would particularly, Mr. Speaker, pay tribute to the distinguished committee chairman, the gentleman from New Jersey (Mr. THOMPSON).

In an environment which had previously been filled with rancor, the gentle-

man has now brought us an era of cooperation and respect, and sometimes, affection. I congratulate the gentleman for his work.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield further?

Mr. FRENZEL. Further reserving the right to object, I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I certainly do appreciate, more than I can say, the gentleman's kindness. I am rather overwhelmed today because the gentleman from Maryland (Mr. BAUMAN) did not exclude me from his "Merry Christmas greetings, everyone." I would like to reciprocate to him and reciprocate to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, this is a bill changing Federal election law; is that correct?

Mr. THOMPSON. Mr. Speaker, if the gentleman will yield, let me say that the gentleman is correct.

Mr. BAUMAN. Mr. Speaker, let me ask, has the gentleman from New Jersey cleared this with Common Cause?

Mr. THOMPSON. The gentleman from New Jersey has not.

Mr. BAUMAN. That certainly recommends the legislation to me.

Are there any increases in equipment allowances or in staff for Members included in this bill?

Mr. THOMPSON. No. We will do that as soon as we can in January, especially 1 day on which the gentleman is not present.

Mr. BAUMAN. Mr. Speaker, that makes this a very unusual bill, if those items are not in it.

Mr. Speaker, I did want specifically to include the gentleman from New Jersey in my Christmas greetings. In fact, I hardly recognized the gentleman from the description that we just received a moment ago. I say, "Merry Christmas" to the gentleman.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just adopted.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

APPOINTMENT AS MEMBERS OF THE CONGRESSIONAL AWARD BOARD ON BEHALF OF THE MAJORITY

The SPEAKER. Pursuant to section 4(a) of Public Law 96-114 the Chair appoints as members of the Congressional Award Board:

Mr. Patrick L. O'Malley, of Chicago, Ill.;

Ms. Dinah Shore, of Beverly Hills, Calif.;

Mr. Christopher R. O'Neill, of Washington, D.C. and

Mr. Frank Arlinghaus, Jr., of Rumson, N.J.

APPOINTMENT AS MEMBERS OF THE CONGRESSIONAL AWARD BOARD ON BEHALF OF THE MINORITY

Mr. RHODES. Mr. Speaker, pursuant to section 4(a) of Public Law 96-114, I have today appointed as members of the Congressional Award Board:

Mr. W. Clement Stone, of Chicago, Ill.;

Mr. William Bricker, of New York, N.Y.; and

Ms. Roberta Vander Vort, of Kansas City, Mo.

APPOINTMENT AS MEMBER OF SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

The SPEAKER. Pursuant to the provisions of House Resolution 53, 96th Congress, the Chair appoints the gentleman from Michigan, Mr. ALBOSTA, to the Select Committee on the Outer Continental Shelf to fill the existing vacancy thereon.

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL COUNCIL ON THE ARTS, FISCAL YEAR 1977—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor.

To the Congress of the United States:

It is with great pleasure that I transmit to you the Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year ended September 30, 1977.

JIMMY CARTER.

The White House, December 20, 1979.

NINETEENTH QUARTERLY REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the nineteenth quarterly report of the Council on Wage and Price Stability. The report contains a description of the Council's activities during the second quarter of 1979 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies. It also describes the Council's activities of monitoring wages and prices as part of the anti-inflation program.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

JIMMY CARTER.

The White House, December 20, 1979.

REFUGEE ACT OF 1979

Ms. HOLTZMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2816) to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentlewoman from New York (Ms. HOLTZMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2816, with Mr. MOAKLEY, Chairman pro tempore in the chair.

The Clerk read the title of the bill. The CHAIRMAN pro tempore. When the Committee rose on Thursday, December 13, 1979, all time for general debate on the bill had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate title I.

□ 1030

Title I reads as follows:

That this Act may be cited as the "Refugee Act of 1979".

TITLE I—PURPOSE

SEC. 101. The Congress declares that it is the historic policy of the United States to respond to the urgent needs of persons subject to persecution on account of race, reli-

LETTERS
FROM:
SENATE COMMITTEE
ON
RULES AND ADMINISTRATION
AND
HOUSE ADMINISTRATION
COMMITTEE

TO:
THE PRESIDENT

JANUARY 8, 1979

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THOMAS K. DECKER, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON
RULES AND ADMINISTRATION

WASHINGTON, D.C. 20510

January 8, 1980

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

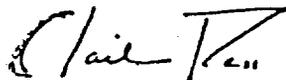
We strongly urge that you sign H.R. 5010, which contains amendments to the Federal Election Campaign Act. These amendments are based on analysis of practical experience to date under the Act, and we believe they will benefit candidates, campaign committees and the public at large.

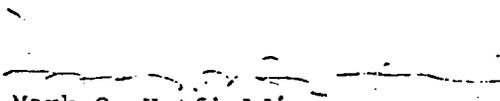
We understand that you are concerned about possible constitutional questions raised by the application of Section 201(a)(4) of H.R. 5010 which, among other things, prohibits certain types of voluntary political contributions by certain classes of Federal employees. It was our intention that this provision be read narrowly so that, for example, only the employees of the White House Office, as that term is used in 3 U.S.C. 105, would be barred from contributing to the reelection campaign of an incumbent President.

We are agreeable to seeking legislation which would either simply repeal Section 201(a)(4), or amend that section to insure that coverage conforms precisely to our original intention as set forth above, or take other appropriate legislative action to correct this problem.

If H.R. 5010 is signed, we pledge to use our best efforts to see that such corrective legislation passes at the earliest possible date. We look forward to working with you and your staff in this effort.

Respectfully,


Claiborne Pell
Chairman


Mark O. Hatfield
Ranking Minority Member

FRANK THOMPSON, JR., N.J., CHAIRMAN

LUCIEN N. MEDZI, MICH.
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TOM LOEFFLER, TEX.

Congress of the United States

House of Representatives

COMMITTEE ON HOUSE ADMINISTRATION

SUITE H-326, U.S. CAPITOL

Washington, D.C. 20515

WILLIAM G. PHILLIPS, STAFF DIRECTOR
ROBERT E. MOSS, GENERAL COUNSEL

January 8, 1979

The Honorable Jimmy Carter
President
The White House
Washington, D.C. 20500

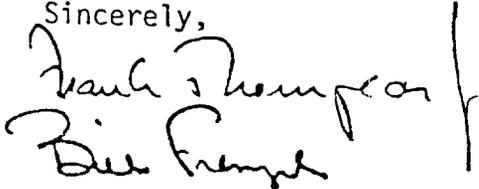
Dear Mr. President:

We strongly urge that you sign H.R. 5010, which contains amendments to the Federal Election Campaign Act. These amendments are based on analysis of practical experience to date under the Act, and we believe they will benefit candidates, campaign committees and the public at large.

We understand that you are concerned about First Amendment questions raised by Section 201(a)(4) of H.R. 5010 which, among other things, prohibits certain types of voluntary political contributions by certain classes of Federal employees. It was our intention that this provision be read narrowly so that, for example, only the employees of the White House Office, as that term is used in 3 U.S.C. 105, would be barred from contributing to the reelection campaign of an incumbent President.

We are agreeable to seeking legislation which would either simply repeal Section 201(a)(4), or amend that section to insure that coverage conforms precisely to our original intention as set forth above, or take other appropriate action to correct this problem.

If H.R. 5010 is signed, we pledge to use our best efforts to see that such corrective legislation passes at the earliest possible date. We look forward to working with you and your staff in this effort.

Sincerely,

Bill Frenzel

PRESIDENT'S STATEMENT
UPON SIGNING
H.R. 5010

JANUARY 8, 1980

January 8, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have today signed H.R. 5010, the Federal Election Campaign Act Amendments of 1979. This measure significantly improves the Federal Election Campaign Act by eliminating burdensome regulation of candidates and political committees and by increasing the opportunity for grassroots political participation. I supported proposals contained in this legislation in the message I sent to Congress on March 22, 1977, and our electoral process will benefit greatly from the important reforms this bill contains. Congressmen Frank Thompson Jr. and Bill Frenzel and Senators Claiborne Pell and Mark O. Hatfield are to be congratulated on their outstanding leadership in helping pass it.

Despite the major improvements this measure will bring to the law which governs Federal elections, there are some serious problems with this bill. H.R. 5010 would reduce patronage abuse protection of Federal employees with respect to State and local campaigns, although it would continue to provide full protection for Federal campaigns.

Even more disturbing is the severe infringement of Federal employees' First Amendment rights that is caused by section 201(a)(4) of H.R. 5010. Under present law a person in government service is permitted to make voluntary campaign contributions to the authorized campaign committee of any candidate for elective office in the Federal system. This is a protected freedom that all citizens enjoy, and it is of vital importance. Section 201(a)(4) would restrict that right significantly by undermining the ability of persons in Federal service to make even totally voluntary contributions to the campaigns of their employing authority. This is an unacceptable and unwise intrusion upon their rights under the First Amendment, and the Attorney General has advised me that it raises grave constitutional concerns.

To the extent that section 201(a)(4) prohibits the solicitation of government employees by or on behalf of other Federal officials, including their "employing authority", this is already prohibited by existing law and section 201(a)(4) is unnecessary. It should therefore be promptly repealed or amended so as to remove its chilling effect on the rights of citizens to make voluntary contributions to the candidates of their choice. I am pleased that Congressmen Thompson and Frenzel and Senators Pell and Hatfield have pledged to work toward this end in letters they sent me today. I urge Congress to act with dispatch so that the First Amendment rights of Federal employees are not unduly jeopardized.

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