REPORTS DUE IN APRIL

The following paragraphs explain the reporting schedule for the various categories of filers whose reports are due in April. Note that, during this nonelection year, committees authorized by candidates for Congress are only required to report semiannually: July 31, 1983, and January 31, 1984.

Quarterly Filers

Authorized Presidential committees which have chosen to file on a quarterly (rather than a monthly) basis are required to file a quarterly report by April 15. The report should cover all activity from the closing date of the last report filed or from the date of registration,* whichever is later, through March 31, 1983.

Monthly Filers

Unauthorized committees (i.e., committees not authorized by candidates) and authorized Presidential committees which file on a monthly schedule are required to file reports by the 20th of each month. The report should cover all financial activity of the previous month. For example, the April monthly report should be filed by April 20 and should cover all activity from the closing date of the last report filed or from the date of registration,* whichever is later, through March 31, 1983.

Questions on reporting procedures and requests for additional forms should be addressed to the Public Communications Office, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463; or call 202/423-4068 or toll free 800/424-9530.

RULES ON CORPORATE/LABOR COMMUNICATIONS SENT TO CONGRESS

On March 1, 1983, the Commission transmitted to Congress revised regulations governing partisan and nonpartisan communications made by corporations* and labor organizations to their employees, members and stockholders and to the general public. 11 CFR 114.3 and 114.4. These regulations will be prescribed 30 legislative days after their transmittal to Congress, provided neither the House nor the Senate disapproves them.

The proposed revisions clarify the specific audiences to whom corporations and labor organizations may address various types of communications. Moreover, they expand the types of communications that corporations and labor organizations may direct to the general public. The major changes are highlighted below. Readers should not rely solely on this summary but, instead, should consult the full text of the proposed changes, published in the Federal Register on March 4, 1983 (48 Fed. Reg. 9236) and current regulations at 11 CFR 114.3 and 114.4.

Parties Affected

The revised regulations make clear that incorporated membership organizations, incorporated trade associations, incorporated cooperatives and corporations without capital stock are among the types of corporations that are subject to the rules governing partisan and nonpartisan communications. Moreover, the revisions expand the restricted class of personnel who may receive partisan communications (or nonpartisan communications if the organization so chooses). Under the proposed amendments:

- An incorporated membership organization, a cooperative and a corporation without stock

*The rules governing corporate activity apply to a broad range of incorporated organizations, including national banks, corporations with capital stock and incorporated membership organizations (including corporations without capital stock, incorporated trade associations and incorporated cooperatives).

continued
may address partisan communications to the families of its members, in addition to its members.

A labor organization may make partisan communications to its executive and administrative personnel and their families, as well as to its members and their families.

Partisan Printed Materials

Under the current regulations, a corporation or labor organization may produce and distribute printed materials of a partisan nature only to its restricted class. Moreover, the material must convey the views of the organization and may not simply be a republication of candidate-prepared material. Under the suggested revisions, however, a corporation or labor organization, in expressing its own views, may use brief quotations from candidates' speeches and other candidate-prepared materials.

Nonpartisan Printed Materials

The proposed revisions expand the categories of nonpartisan publications which a corporation or labor organization may distribute to the general public. They also permit the organization to include its logo on the publications or otherwise identify itself as the sponsor.

Voting Records. Under one new provision, a corporation or labor organization may prepare and publicly distribute nonpartisan voting records of Members of Congress. (A nonpartisan voting record is a publication which describes, in a nonpartisan manner, legislative measures voted on by Congress and which records each officeholder's votes on these measures.) The preparation and distribution of such voting records may not, however, be for the purpose of influencing a federal election.

Voter Guides. Under another new provision, a corporation or labor organization may prepare and publicly distribute voter guides describing candidates' positions on issues. (A voter guide consists of questions posed to candidates concerning their positions on campaign issues and the candidates' responses to those questions.) The proposed rules identify specific criteria the Commission may consider when evaluating whether a guide is nonpartisan. In brief, the criteria include whether:

-- All the candidates running for a given seat are given equal time to respond to questions;
-- The voter guide reprints the responses of each candidate verbatim;
-- The wording of the questions is unbiased;
-- The voter guide expresses no editorial position on any issue and does not support or oppose any candidate or political party;
-- The organization asks all the candidates to provide biographical information for inclusion in the voter guides; and
-- The guide is made available to the general public in the geographic area in which the organization normally operates.

Partisan Candidate and Party Appearances

The revised regulations allow a corporation or labor organization to schedule appearances by candidates, their representatives and representatives of a political party at any meeting, convention or other function of the organization attended by the organization's restricted class. (Under the current regulations, partisan candidate and party appearances are limited to a regularly scheduled event that the organization holds for primarily nonpolitical purposes.) Moreover, under the suggested revisions, certain individuals outside the restricted class may also be present -- specifically, employees who are necessary to administer the meeting, news media representatives and limited invited guests and observers (such as speakers or recipients of awards). Incidental solicitation of these individuals would not be a violation of the law's solicitation provisions.

Nonpartisan Candidate and Party Appearances

Under the revised regulations, a corporation or labor organization may permit candidates, their representatives and party representatives to address the organization's employees and their families at a meeting, convention or other function of the organization held on the organization's premises or anywhere else. (Under the current...
regulations, such appearances may only take place on the organization’s premises.) Under the proposed rules, the organization’s restricted class may also attend the meeting.

In addition, the rules for ensuring that such activities are nonpartisan have been modified to reduce the sponsoring organization’s obligation to provide a forum for all Presidential candidates. Under the proposed rules, if a Presidential or Vice Presidential candidate or his/her representative addresses employees, the organization must give the same opportunity, if requested, only to:

-- All major party candidates who are seeking their party’s Presidential nomination; or
-- All candidates who are on the general election ballot in enough states to win a majority of electoral votes.

Moreover, the proposed rules make clear that the nonpartisan requirements apply only to appearances in connection with a federal election. The requirements do not apply when a corporation or labor organization requests an incumbent, who may also be a federal candidate, to appear in his/her capacity as an officeholder at a public meeting sponsored by the organization.

Nonpartisan Voter Drives and Education

The proposed regulations expand the scope of permissible activities which a corporation or labor organization may undertake in connection with voter drives and voter education programs directed to the general public. The new regulations also allow an organization to include its logo on such communications or otherwise identify itself as the sponsor.

Voter Materials Prepared by Election Officials. A corporation or labor organization may set up a table or rack on its own premises for distributing official voter information to the public, and the organization’s employees or members may help in the distribution. The distribution must, however, be carried out in a nonpartisan manner, and the organization may not endorse or support a candidate or party in connection with the distribution. Alternatively, a corporation or labor organization may donate funds to state or local election administrators to help defray their costs in printing and distributing official registration and voting information and forms.

Voter Ads. Under the suggested revisions, a corporation or labor organization may make nonpartisan voter registration and get-out-the-vote communications to the general public through posters, billboards, broadcasting media, newspapers, newsletters, brochures and similar means of communication. (Under the current regulations, such communications are limited to the employees of the corporation or labor organization.) Moreover, the revised regulations add a new factor to help the Commission decide whether the communication is nonpartisan; i.e., whether the communication names all candidates for a particular office, without favoritism, or makes no mention of any candidate.

Voter Drives by Nonprofit Corporation. The revised regulations permit incorporated nonprofit organizations to conduct nonpartisan voter registration and get-out-the-vote drives on their own, without a cosponsor.

Voter Drives by Other Corporations and Labor Organizations. The suggested revisions permit a (for profit) corporation or labor organization to jointly sponsor a nonpartisan voter registration or get-out-the-vote drive with a state or local agency responsible for administering elections. (The current regulations only permit civic or nonprofit organizations to act as co-sponsors.) Under this type of arrangement, one or more representatives of the cosponsor must participate in the administration of the drive. Personnel of a corporation or labor organization may, however, assist with the drive. All voter drive materials prepared for distribution to the general public must include the full name of all sponsors.

REVISED REGULATIONS ON NOTICES FOR POLITICAL ADS AND SOLICITATIONS

On February 25, 1983, the Commission transmitted to Congress revisions to its regulations governing the use of disclaimer notices on political advertisements and solicitations. The proposed rules modify the requirements for public political advertising (e.g., a newspaper or TV ad) which expressly advocates the election or defeat of a clearly identified federal candidate or which solicits contributions to influence federal elections. 11 CFR 110.11. The Commission will prescribe these regulations 30 legislative days after their transmittal to Congress, provided neither the House nor the Senate disapproves them.

The proposed revisions clarify the disclaimer notice requirements for the following types of political communications:

1. Solicitations made to the general public for contributions to a political committee which is not authorized by a candidate must include a disclaimer notice. The notice need only state the full name of the person sponsoring the solicitation. (Illustration: Paid for by the XYZ Committee.) On the other hand, separate segregated funds do not have to include a disclaimer notice on their solicitations since they direct their solicitations to their own personnel, not the general public.

continued
2. **Posters and yard signs** that carry political ads must bear a disclaimer notice. The revisions exempt, however, those communications on which it would be impracticable to include a disclaimer notice as, for example, an ad placed on a watertower or displayed through skywriting.

3. **Political communications printed on one side** (e.g., a political ad or solicitation placed on a billboard) must include the disclaimer notice on the front side. If, however, a political ad or solicitation has more than one side or page, Commission Regulations require only that the disclaimer be displayed clearly and conspicuously within the communication.

The full text of the proposed revisions to rules governing disclaimer notices was published in the Federal Register on March 2, 1983 (48 Fed. Reg. 8809). Copies of the notice may also be obtained by writing the FEC's Public Communications Office, 1325 K Street, N.W., Washington, D.C. 20463 or by calling: 202/523-4068 or toll-free 800/424-9530. For a complete set of rules on the use of disclaimer notices, see also current regulations at 11 CFR 110.11.

**FEDERAL REGISTER NOTICES**

The items below identify FEC documents that appeared in the Federal Register during March 1983. Copies of these notices are available in the Public Records Office.

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**OPINIONS**

**ADVISORY OPINIONS: SUMMARIES**

An Advisory Opinion (AO) issued by the Commission provides guidance with regard to the specific situation described in the AOR. Any qualified person who has requested an AO and acts in accordance with the opinion will not be subject to any sanctions under the Act. Persons may rely on the opinion if they are involved in a specific activity which is indistinguishable in all material aspects from the activity discussed in the AO. Those seeking guidance for their own activity, however, should consult the full text of an AO and not rely only on the summary given here.

AO 1982-58: Independent Magazine Publishes Solicitation for Membership Organization PAC

P.O.B. magazine, a bimonthly publication of P.O.B. Publishing Company (PubCo), may not publish a solicitation for contributions to ACSM PAC, the separate segregated fund of the American Congress for Surveying and Mapping (ACSM) and the National Society of Professional Surveyors (NSPS). (The two professional associations have a single PAC and have concurrent memberships.) The solicitation is impermissible because P.O.B. magazine is the functional equivalent of an "in-house" magazine of ACSM/NSPS. Accordingly, P.O.B. magazine is subject to the same solicitation restrictions as those imposed on ACSM/NSPS in soliciting contributions to ACSM PAC; that is, P.O.B.'s solicitations must be restricted to ACSM/NSPS's solicitable members. See 2 U.S.C. §441b (b)(4). Since an estimated 80 percent of P.O.B.'s readership are not members of ACSM/NSPS, P.O.B. magazine may not publish a solicitation.

Although P.O.B. magazine planned to publish the solicitation "independent of and without the authority of" ACSM/NSPS, its avowed purpose is to be the principal source of information concerning ACSM affairs and to promote membership in ACSM by circulating membership applications.

The Commission distinguished this opinion from AO 1980-109. In that opinion, an independent publishing company (which had no cooperative relationship with any incorporated membership organization) was permitted to solicit the general public for contributions to federal candidates. The solicitations (and candidate endorsements) published in its periodical were considered news commentaries, which are exempt from the Act's definitions of "contribution" and "expenditure." (Date issued: February 18, 1983; Length: 5 pages)
AO 1983-2: Computer Services Sold by Campaign to Retire Debts
The Citizens for Emery Committee (the Committee), the principal campaign committee for David F. Emery's unsuccessful bid for the Senate in 1982, may sell computer services on a "fee-for-service basis" to retire its campaign debts. The sale proceeds will be considered "contributions" from the purchasers (e.g., candidates, nonprofit organizations and state political committees). Accordingly, the sale proceeds are subject to the prohibitions, limits and disclosure requirements of the Act.

The Commission distinguished this opinion from several other opinions in which the Commission concluded that, as exceptions to the general rule, the disposal of committee assets did not result in a contribution under certain circumstances. For example, in AO 1979-24, a committee was allowed to sell leftover campaign equipment in order to terminate; the proceeds did not count as contributions. In several AOs, the Commission allowed committees to sell (or exchange) contributor or mailing lists for the usual and normal fee, without considering the funds received (or the value of the item) as a contribution. See AO's 1979-18, 1981-46, 1981-53 and 1982-41. (Date issued: February 24, 1983; Length: 4 pages)

AO 1983-3: Affiliation of Utility Company's State and Federal PACs; Transfer of Funds Between Them
The Philadelphia Electric Company has established two political committees: the Philadelphia Electric Company State Political Action Committee (the State PAC), an unregistered committee which supports state candidates, and the Philadelphia Electric Company Federal Political Action Committee (the Federal PAC), a registered committee which supports federal candidates. If the State PAC triggers its status as a "political committee" under the Act by transferring funds of any amount to the Federal PAC, the State PAC and the Federal PAC will become affiliated committees, since both committees were established by one company. 11 CFR 102.6; 2 U.S.C. §§433(a) and 434(a)(4). As the Federal PAC's affiliated committee, the State PAC may transfer unlimited funds to the Federal PAC (11 CFR 102.6(a)). The State PAC, however, must use one of two permissible methods to ensure that transferred funds comply with all of the contribution and solicitation requirements spelled out in Commission Regulations. See 11 CFR 102.5 and 114.5.

If the State PAC becomes a political committee, the first report it files with the FEC must disclose all funds (as cash-on-hand) which the State PAC received prior to registering a federal PAC, even if the funds were not received during the period covered by the report. 11 CFR 104.3(a) and 104.12.

The State PAC must comply with Commission Regulations pertaining to solicitations by separate segregated funds. 11 CFR 114.5. However, since the advisory opinion request did not indicate whether the State PAC had already solicited or accepted any donations (which it planned to transfer to the Federal PAC), the Commission did not address the issue of whether remedial measures would be necessary to correct prior solicitations (not in compliance with the Act). (Date issued: February 24, 1983; Length: 3 pages)

AO 1983-4: PAC Funds Used for Lobbying Expenses of Parent Labor Union
The National Legislative Director for the American Federation of Musicians (AFM) may use funds of the AFM's separate segregated fund, the Tempo Club, to defray expenses arising from his legislative lobbying duties for AFM (e.g., travel and secretarial expenses). Neither the Act nor FEC Regulations preclude the use of the Tempo Club's funds for lobbying expenses. Moreover, this use is considered a lawful purpose consistent with the Act and FEC Regulations. See AO's 1978-36 and 1979-12. Although lobbying expenses are not considered "expenditures" made to influence federal elections, they must be reported as general "disbursements." See 11 CFR 104.3(b)(1) and (b)(3).

Since tax rules and federal lobbying laws are not within the Commission's jurisdiction, the agency expressed no opinion on their application to the lobbying expenses. (Date issued: February 18, 1983; Length: 2 pages)

FCC CLEARINGHOUSE ADVISORY PANEL MEETS IN WASHINGTON
On March 28 and 29, 1983, the Advisory Panel of the FCC's National Clearinghouse on Election Administration met in Washington to discuss problems associated with administering federal elections. The 17-member panel, comprised of state and local election officials, discussed four major topics in their two-day session:
1. A Voting System Standards Project mandated by Congress. Preliminary results of the FEC's study point to the need to establish voluntary procedural performance standards for the
various types of vote counting and recording systems used in the United States.

2. New cooperative working arrangements between the National Association of Secretaries of State and the Council of State Governments.

3. Two research projects approved by the FEC. One project will update a published compilation of state campaign finance laws. The other project will produce an inventory of current computer applications to various election functions, such as candidate filings, voter registration, ballot design and format, and vote counting.

4. The FEC's next series of regional conferences on campaign financing and election administration, which will begin in the Fall of 1983.

The March meeting was the ninth held by the Advisory Panel since it was created in 1975 to advise the FEC on how to best use its resources to improve the administration of elections throughout the nation. The FEC is the only agency specifically charged by Congress to conduct research on the administration of federal elections.

CHANGE OF ADDRESS

Political Committees
Registered political committees are automatically sent the Record. Any change of address by a registered committee must, by law, be made in writing as an amendment to FEC Form 1 (Statement of Organization) and filed with the Clerk of the House, the Secretary of the Senate, or the FEC, as appropriate.

Other Subscribers
Record subscribers (who are not political committees), when calling or mailing in a change of address, are asked to provide the following information:
1. Name of person to whom the Record is sent.
2. Old address.
3. New address.
4. Subscription number. The subscription number is located in the upper left hand corner of the mailing label. It consists of three letters and five numbers. Without this number, there is no guarantee that your subscription can be located on the computer.

MATCHING FUND SUBMISSION PROCEDURES
On February 10, 1983, the Commission approved a recommendation by the General Counsel that, until proposed revisions to the Commission's Primary Matching Fund Regulations have been prescribed, the Commission will take no official action on contributions submitted by Presidential campaigns for primary matching funds in 1984. (As of March 4, 1983, two Presidential campaigns had submitted contributions to establish eligibility for primary matching funds.) This decision conforms with the Commission's longstanding policy of not implementing regulations until they have been promulgated. During the period before the revised regulations become effective, however, Commission staff will provide, upon request, information on the requirements of the proposed regulations.

Once the proposed regulations become effective, the Commission will begin to review matching fund submissions in order to make determinations regarding candidates' eligibility for matching funds. Moreover, the Commission will establish a schedule for receiving additional matching fund submissions (i.e., those submitted after eligibility requirements have been satisfied). The Commission will also set a date in December of 1983 for making determinations and certifications to the U.S. Treasury concerning the amount of matching funds payable to eligible candidates. (Under the Presidential Election Campaign Fund Act, the Treasury may not begin making payments to eligible candidates until January 1, 1984.)

When a Presidential candidate submits the agreements and certifications required as a condition of matching fund eligibility, the Commission will send the candidate a letter notifying him or her of the review procedures. For more detailed information on the procedures, consult FEC Agenda Document No. 83-23, available from the Commission's Public Records Office. Call 202/523-4068 or toll free 800/424-9530.

*The Commission transmitted proposed revisions to the Primary Matching Fund Regulations to Congress on January 24, 1983. They will be prescribed 30 legislative days later, provided neither the House nor the Senate disapproves them. The full text of the proposed revisions was published in the Federal Register on February 4, 1983 (48 Fed. Reg. 5224).
1984 COMPLIANCE MANUAL FOR PRIMARY MATCHING FUND RECIPIENTS

On March 8, 1983, the Commission approved a revised edition of its Financial Control and Compliance Manual for Presidential Primary Candidates Receiving Public Financing. The manual, which incorporates recent revisions to the FEC's primary matching fund regulations, is now available for use by Presidential primary candidates and their committees. In addition, a limited number of copies are available for purchase by other parties, at $7.50 per copy, from the FEC's Public Records Office. (For more information, call 202/523-4181 or toll free 800/424-9530.)

The manual is designed to help primary matching fund recipients comply with the Act and Commission Regulations. The manual does not prescribe a standard financial control system. Instead, it offers a flexible system, which may be modified to suit each campaign's need for: receipt and disbursement controls; recordkeeping and reporting procedures; budget planning; and internal financial management. Since most of the campaigns receiving primary matching funds will be processing large amounts of campaign finance data, certain compliance procedures are geared to automated data processing systems.

NEW LITIGATION

FEC v. Citizens for LaRouche

The FEC asks the district court to declare that Citizens for LaRouche, the principal campaign committee for Lyndon H. LaRouche, Jr.'s campaign for the Democratic Party's Presidential nomination in 1980, violated a conciliation agreement entered into with the FEC. The Commission alleges that Citizens for LaRouche failed to pay the $15,000 civil penalty stipulated in the agreement.* (The conciliation agreement resulted from an enforcement action that the FEC had brought against the LaRouche campaign for accepting unlawful contributions in 1979 and 1980.) The FEC therefore asks the court:

- To order the LaRouche campaign to pay the $15,000 civil penalty (with interest);
- To permanently enjoin the LaRouche campaign from further violations of the conciliation agreement;
- To declare that, in failing to pay the civil penalty, Lyndon H. LaRouche, Jr. also violated one of the terms of a certification letter, which he signed in November 1979 as a prerequisite to being eligible for primary matching funds; and
- To permanently enjoin Mr. LaRouche from further violating the terms of the certification letter.


Alwin E. Hopfman v. FEC

Mr. Hopfman asked the court to declare that the FEC's dismissal of an administrative complaint, which he had filed against Senator Edward M. Kennedy (D-Mass.) and the Committee to Re-Elect Senator Kennedy on September 13, 1982, was contrary to the law and to the U.S. Constitution. In his administrative complaint, Mr. Hopfman had claimed that Senator Kennedy had violated provisions of the election law which culminated "in the exclusion of [Mr. Hopfman] from the [Massachusetts Senate primary election] ballot in a manner which...is improper and illegal." (Mr. Hopfman had failed to obtain access to the state's primary election ballot as a candidate of the Massachusetts State Democratic Party because, under the Party's "15% Rule," he had failed to receive at least 15 percent of the votes cast at the Party's nominating convention.)

Mr. Hopfman amended his complaint, asking the Court:

- To find that the FEC and the Federal Election Campaign Act, as amended, had violated Mr. Hopfman's Constitutional rights under the First, Fifth, Sixth, Ninth, Tenth, and Seventeenth Amendments and had violated portions of Articles I and 3 of the Constitution;
- To enjoin the FEC from permitting the Secretary of the Senate or any other officer of Congress to participate in FEC functions;
- To declare 2 U.S.C. §437g(a) unconstitutional and order the FEC to cease actions under that provision until it can be brought in line with the Constitution;
- To declare 2 U.S.C. §437 unconstitutional and

*Under the terms of the conciliation agreement, the LaRouche campaign agreed to pay a civil penalty by making an initial payment of $5,000 and 10 monthly installments of $1,000 each. If the FEC failed to receive any of those payments, it could require the LaRouche campaign to pay the entire amount upon 10 days written notice.
void until it can be changed to comply with the Constitution;

-- To declare that a party rule may not supersede a state law concerning the election of a U.S. Senator; and

-- To order the FEC to compel Edward M. Kennedy and his reelection committee to treat the primary convention in Massachusetts as a primary election and to accept contributions and file reports accordingly.


PUBLIC APPEARANCES

4/15 Producer's Advisory Forum
Washington, D.C.
B. Allen Clutter, FEC Staff
Director

4/25 The Washington Center
Washington, D.C.
Chairman Danny L. McDonald