

Record

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Table of Contents

Regulations

- 1 Definition of "Political Committee" Rulemaking
- 3 Federal Register

Legislation

- 1 Legislative Recommendations

Election Administration

- 5 New Appointees to the OEA Advisory Panel

5 Advisory Opinions

5 Pennsylvania Special Election Reporting

800 Line

- 6 Treasurer's Liability

Compliance

- 7 Committees Fined for Late and Nonfiled Reports

Alternative Dispute Resolution

- 7 ADR Program Resolves More Cases

Court Cases

- 8 On Appeal

Outreach

- 8 Public Appearances
- 9 Conference for Labor and Membership Organizations
- 11 Are You a Membership Organization?

Statistics

- 10 Semiannual PAC Count

11 Index

Regulations

Definition of "Political Committee" Rulemaking

On March 1, 2001, the Commission approved an Advance Notice of Proposed Rulemaking (ANPRM) seeking comment on several proposals that would revise the Federal Election Campaign Act's (the Act) definition of "political committee." The notice, which was published in the March 7, 2001, *Federal Register* (66 FR 13681), addresses:

- Possible revisions to the definitions of "contribution" and "expenditure," which may trigger political committee status; and
- Ways in which a "major purpose" test could be incorporated into the Commission's regulatory definition of "political committee."

One reason for this proposed rulemaking is to ensure registration and disclosure by all entities that seek to influence federal elections. Entities that organize under section 527 of the Internal Revenue Code, by definition, have as their primary purpose the influencing of elections at the federal, state or local level. Therefore, under the Act and the Commission's current rules, they automatically become political

(continued on page 2)

Legislation

FEC Submits Legislative Recommendations for Legislative Action

On February 23, 2001, the Federal Election Commission submitted to Congress and President Bush two priority recommendations for legislative action in the areas of campaign finance law and election administration. On March 2, the Commission submitted 32 additional recommendations to amend and improve the campaign finance law. Chairman Danny L. McDonald commented: "We hope these recommendations can assist Congress in bringing to fruition some necessary changes in both campaign finance and election administration. With more than 25 years of experience and accomplishments in these areas, the FEC stands ready to work with the President and Congress to implement the legislative package."

Office of Election Administration

The first priority recommendation focuses on the duties of the Commission's Office of Election Administration (OEA) and its Advisory Panel. The recommendation clarifies that the responsibilities

(continued on page 4)

Regulations

(continued from page 1)

committees once they make or receive \$1,000 in contributions or make \$1,000 in expenditures for the purpose of influencing federal elections. However, some groups that aim to influence federal elections choose *not* to become section 527 organizations either because their primary purpose is not to influence elections or because they fall under a different tax status and thereby avoid the disclosure requirements established by Public Law 106-230 (effective since July 1, 2000). The proposed revisions to the definition of “political committee” are intended to be applied to these entities and to require the registration and disclosure of their activities.

Definitions of Contribution and Expenditure

The Act, with certain exceptions, defines “political committee” as any group of persons that makes or

receives more than \$1,000 in contributions or makes more than \$1,000 in expenditures during a calendar year. The terms “contribution” and “expenditure,” in turn, refer to a payment or something of value given or received for the purpose of influencing a federal election. 11 CFR 100.7 and 100.8. The Commission is seeking comments on whether to include several discrete activities in the definitions of “contribution” and “expenditure.” These new definitions of “contribution” and “expenditure” would be incorporated into the definition of “political committee” at 11 CFR 100.5.

Contributions. The Commission seeks comments on adding to the definition of “contribution” descriptions of six activities. The proposed rules would identify a contribution as money, services or anything of value that was:

1. Received as the result of a solicitation, the express purpose of which was to raise money to influence federal elections;
2. Received from certain political committees (i.e., separate segregated funds (SSFs) of corporations and labor unions, certain local party committees and principal campaign/authorized committees), unless the organizations receiving the funds qualified for tax exempt status;¹
3. Received by an organization that was expressly authorized by its charter, constitution, bylaws, articles of incorporation or other organizational document(s) to engage in activities conducted for the purpose of influencing federal elections;

¹ 26 U.S.C. §501(c)(3) provides federal tax exempt status to a charitable organization, so long as it “does not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.”

4. Received by an organization that was controlled by a federal candidate, his or her principal campaign committee or any other committee authorized by a federal candidate;²
 5. Received by an organization that claimed tax exempt status pursuant to 26 U.S.C. §527 and did not restrict its activities to influencing state or local elections or elections conducted within a political organization; and
 6. Deemed to be in-kind contributions for general public political communications, pursuant to 11 CFR 100.23. This provision would incorporate the Commission’s recently-promulgated coordination rules.
- Expenditures.* The Commission also seeks comments on adding five new elements to the definition of “expenditure.” These new elements would include payments or costs that were:

1. Associated with the organization’s solicitation of money, or any other thing of value, where the solicitation stated that donations would be used to influence a federal election;
2. Deemed to be coordinated expenditures for general public political communications, pursuant to 11 CFR 100.23;
3. Associated with any communication to the public that referred to a candidate for federal office and had been tested to determine its probable impact on the candidate preference of voters;

² This provision would exclude organizations that are charities under 26 U.S.C. §501(c)(3) or social welfare groups under §501(c)(4). These latter groups may work in political candidate elections, but only as long as their activity remains insubstantial relative to their nonpolitical work.

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Washington, DC 20463

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4. Associated with any communication to the public that referred to a candidate for federal office, where the intended audience had been selected based on its voting behavior; and
5. Associated with a commercial vendor's service or product that was purchased with the express understanding that the service or product would be designed to influence any federal election.

An alternative approach would be to locate the proposed new objective criteria in the generally applicable definitions of "contribution" and "expenditure" found at 11 CFR 100.7 and 100.8, respectively. The Commission also invites comments on whether these proposed revisions comport with constitutional safeguards and the Commission's statutory authority.

The "Major Purpose" Test

The Commission is also examining whether to incorporate the concept of an organization's "major purpose" into the definition of "political committee," and, if so, how this could be done. The Supreme Court has stated that the

definition of "political committee" need only encompass organizations that are under the control of a candidate, or "*whose major purpose is the nomination or election of a candidate*" (italics added).³ The following alternatives offer several ways by which an organization's "major purpose" could be determined for purposes of this definition.

Alternative 1: Percentage of Disbursements. Under one proposed definition of "major purpose," an organization would qualify as a political committee if at least 50 percent of its disbursements were made for the purpose of influencing federal and nonfederal elections. Comments are sought on whether a higher or lower percentage might be more appropriate in particular circumstances.

Alternative 2: Percentage of Time and Disbursements. Another approach would evaluate not only an organization's receipts and disbursements, but also the amount of time spent on election-related activities by its paid and unpaid staff. The Commission seeks comments on several options for valuing volunteer activity and determining the cycle for computing the percentages of time and disbursements, should this alternative be adopted.

Alternative 3: Percentage of Disbursements Spent on Communications Containing Express Advocacy. Under this substantially narrower approach, an organization would compare its total disbursements only to the sum of its contributions to federal candidates and amounts spent on general public political communications that expressly advocated the election or

defeat of clearly identified federal candidates.

Alternative 4: Dollar Amount of Campaign Activity. This alternative would establish a dollar threshold (\$50,000 is the figure proposed for discussion purposes) for political committee status. If an organization exceeded this amount in election activity or, alternatively, in express advocacy communications, it would automatically be deemed to have as its major purpose the influencing of federal elections, even if the funds spent on election activity represented a small percentage of its total disbursements for all activities.

All comments should be addressed to Rosemary C. Smith, Assistant General Counsel, and must be submitted in either written or electronic form by May 7, 2001. Written comments should be sent to the Federal Election Commission, 999 E Street, NW., Washington, DC 20463. Faxed comments should be sent to 202/219-3923, with a printed copy follow-up to insure legibility. Electronic mail comments should be sent to polcomms@fec.gov and must include the full name and postal service address of the commenter. Comments that do not contain this information will not be considered. No oral comments can be accepted. ♦

Back Issues of the Record Available on the Internet

This issue of the *Record* and all other issues of the *Record* starting with January 1996 are available through the Internet as PDF files. Visit the FEC's World Wide Web site at www.fec.gov and click on "What's New" for this issue. Click "Campaign Finance Law Resources" to see back issues. Future *Record* issues will be posted on the web as well. You will need Adobe® Acrobat® Reader software to view the publication. The FEC's web site has a link that will take you to Adobe's web site, where you can download the latest version of the software for free.

³ Buckley v. Valeo, 424 U.S. 1, 79 (1976). See also FEC v. Massachusetts Citizens For Life ("MCFL"), 479 U.S. 238, 262 (1986).

Federal Register

Federal Register Notices are available from the FEC's Public Records Office.

Notice 2001-3

Definition of Political Committee; Advance Notice of Proposed Rulemaking; (66 FR 13681, March 7, 2001)

PACronyms, Other PAC Publications Available

The Commission annually publishes *PACronyms*, an alphabetical listing of acronyms, abbreviations and common names of political action committees (PACs).

For each PAC listed, the index provides the full name of the PAC, its city, state, FEC identification number and, if not identifiable from the full name, its connected, sponsoring or affiliated organization.

The index is helpful in identifying PACs that are not readily identified in their reports and statements on file with the FEC.

To order a free copy of *PACronyms*, call the FEC's Disclosure Division at 800/424-9530 (press 3) or 202/694-1120. *PACronyms* also is available on diskette for \$1 and can be accessed free under the "Using FEC Services" icon at the FEC's web site—<http://www.fec.gov>. Other PAC indexes, described below, may be ordered from the Disclosure Division. Prepayment is required.

- An alphabetical list of all registered PACs showing each PAC's identification number, address, treasurer and connected organization (\$13.25).
- A list of registered PACs arranged by state providing the same information as above (\$13.25).
- An alphabetical list of organizations sponsoring PACs showing the PAC's name and identification number (\$7.50).

The Disclosure Division can also conduct database research to locate federal political committees when only part of the committee name is known. Call the telephone numbers above for assistance or visit the Public Records Office in Washington at 999 E St., NW.

Legislation

(continued from page 1)

of the OEA include the periodic update and enhancement of the voluntary Voting System Standards (VSS) program. The recommended legislation would also give the OEA's Advisory Panel, which was established by administrative action in 1976, statutory standing within the Federal Election Campaign Act (the Act).

In 1990, the Commission approved the VSS for computer-based voting systems. Voting system standards are technical specifications that ensure that computer-based voting systems are accurate and secure. The OEA provides information regarding these standards to election officials involved in certifying or procuring such systems. Under this recommendation, the OEA would:

- Continue to update the VSS first developed in 1990, and expand the VSS program beyond technical standards to include voluntary management standards and voluntary performance/design standards that would optimize ease of use and minimize voter confusion; and
- Increase outreach efforts to state and local jurisdictions (and vendors of voting equipment) regarding the VSS.

Additionally, the statutorily chartered Advisory Panel would be responsible for advising the Commission on the VSS program.

Administrative Fine Program

The second priority recommendation concerns the Administrative Fine Program for reporting violations. The recommended legislation would extend this program for another two years in order to cover violations that relate to reporting periods that begin on or after January 1, 2002, and that end on or before December 31, 2003. Extending the duration of the pilot program

would give the Commission and Congress an opportunity to evaluate the effects of the program on one full cycle of reporting. Additionally, the extension would allow the agency to evaluate the effects of mandatory electronic filing upon the ability of filers to meet reporting deadlines and avoid administrative penalties.

Additional Recommendations

The 32 additional legislative recommendations cover a variety of substantive and technical issues, including:

- Contributions by foreign nationals;
- Referral of criminal violations for prosecution by the Justice Department;
- Reinstating the FEC's authority to initiate and conduct litigation at the Supreme Court on matters arising under the Federal Election Campaign Act;
- Reinstating the FEC's ability to conduct audits for cause;
- Averting the impending shortfall in the Presidential Public Funding Program; and
- Revamping the fundraising limitation for publicly financed Presidential Primary campaigns to combine it with the overall spending limit.

The full text of the recommendations can be found on the FEC's Web site at www.fec.gov/legrec2001.html. Paper copies may be obtained through the FEC Press Office, at 800/424-9530 (press 2), and the Public Records Office, at 800/424-9530 (press 3). ♦

Election Administration

New Appointees to the OEA Advisory Panel

On February 1, 2001, the Commission appointed Joseph Meyer, Wyoming Secretary of State, and Carolyn Jackson, Administrator of Elections, Hamilton County, Tennessee, to the Office of Election Administration (OEA) Advisory Panel. The OEA Advisory Panel is composed of state and local election officials from across the country. Officials are nominated to the Panel by the OEA Director and appointed by the Commission. The Panel meets annually and advises the OEA and the Commission on methods of allocating resources in order to best serve the needs of election officials. ♦

Advisory Opinions

AO 2001-1 Office Building Fund Used for Construction Management, Architectural Fees and Fundraising

The North Carolina Democratic Party (the Party) may use its office building fund to pay for construction management and architectural fees that are directly and solely related to the restoration and renovation of the Party's headquarters. Also, the Party may use its office building fund to pay the salary and other expenses of an employee or consultant whose sole responsibility is to raise funds for the office building fund; such expenses do not have to be allocated.

Pennsylvania Special Election Reporting

The Special Election to fill the U.S. House seat vacated by Congressman Bud Schuster in the Ninth Congressional District will be held on May 15, 2001. Note that 48-hour notices are required of authorized committees that receive contributions of \$1,000 or more between April 26 and May 12 for the Special General Election. Committees involved in this election must follow the reporting schedule below.¹

For Committees Involved in the Special General Election:

	Close of Books	Reg./Cert Mail Date	Filing Date
Pre-General Report	April 25	April 30	May 3
Post-General Report	June 4	June 14	June 14
Mid-Year Report	June 30	July 31	July 31

¹ Reports filed electronically must be submitted by midnight on the filing date. Reports filed on paper and sent by registered or certified mail must be postmarked by the mailing date; reports sent by any other means (including reports sent via first class mail) must be received by the Commission's close of business on the filing date.

The Building Fund

Under the Federal Election Campaign Act (the Act) and Commission regulations, funds given or loaned to a national or a state committee of a political party are not contributions if they are specifically designated to defray the costs incurred for the construction or purchase of an office facility provided that the facility is not acquired for the purpose of influencing the election of any candidate in a particular federal election. 2 U.S.C. §431 (8)(B)(viii); 11 CFR 100.7(b)(12), 100.8(b)(13), and 114.1(a)(2)(ix). In past advisory opinions, the Commission permitted state and national party committees to accept corporate and labor union donations to office building funds (or accounts) that were established and used by the party committee for the purpose of purchasing or constructing an office facility. AOs 1997-14, 1993-9 and 1991-5.

Construction and Renovation Expenses

Funds from a party committee's office building fund may be used to pay building expenses that are described as "capital expenditures" under the Internal Revenue Code and related IRS regulations. AO 1998-7. Under the IRS regulations, a capital expenditure includes the cost of the acquisition, construction or erection of buildings, machinery and equipment, furniture and fixtures and similar property. 26 CFR 1.263(a)-1 and 1.263(a)-2. Amounts expended for an architect's services are listed explicitly in IRS regulations as an example of a capital expenditure. 26 CFR 1.263(a)-2(d). Thus, in this case, the Party may use office building funds to pay for architectural fees directly and solely related to the restoration and renovation project for Party headquarters.

Funds from the office building fund may also be used to pay

(continued on page 6)

Advisory Opinions

(continued from page 5)

construction management expenses because these expenses directly relate to the actual renovation of the Party's headquarters and are, thus, direct construction costs.

Fundraising Expenses

The Party may also use funds from the office building fund to pay the costs of an employee whose sole responsibility is raising funds for the office building fund, including this individual's salary and/or fees. Fundraising is necessary to cover the costs of renovation and, therefore, the costs associated with maintaining such an employee are directly related to the construction of the Party headquarters. Funds used to pay the fundraiser's salary do not need to be allocated between the Party's federal account and the office building fund account because the fundraising is solely for the office building fund.¹

Date Issued: February 15, 2001; Length: 4 pages. ♦

¹ When one fundraising program or event is held to collect funds that will be used to influence both federal and nonfederal elections, the sponsoring committee must allocate the direct costs of the activity between its federal and nonfederal accounts using the "funds received" allocation method. Under this method, the costs are allocated according to the ratio of federal funds received to total receipts for the program or event. 11 CFR 106.5(f).

AO 2001-2

Status of State Party as State Committee of Political Party

The Green Party of Kentucky satisfies the requirements for state committee status.¹

The Federal Election Campaign Act (the Act) defines a state committee as "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." 2 U.S.C. §431(15). In order to achieve state committee status under Commission regulations, an organization must meet two requirements. It must have:

- Bylaws or a similar document that "delineates activities commensurate with the day-to-day operation" of a party at a state level; and
- Ballot access for at least one federal candidate who has qualified as a candidate under Commission regulations.²

The Green Party of Kentucky meets both requirements. It satisfies the first requirement because its bylaws set out a comprehensive

¹ The Green Party of Kentucky is not affiliated with any national political party. The Commission has, however, recognized the state committee status of other party committees not affiliated with any national political parties. The most recent examples are AO 2000-27 and AO 2000-21.

² An individual becomes a candidate for the purposes of the Act (2 U.S.C. §441a(d)) once he or she receives contributions aggregating in excess of \$5,000 or makes expenditures in excess of \$5,000. Federal candidates must designate a principal campaign committee within 15 days after qualifying as a candidate, and the committee also becomes subject to registration and reporting requirements. 2 U.S.C. §§432(e)(1) and 434(a); 11 CFR 101.1, 102.1 and 104.1.

organizational structure for the party from the statewide level down through local levels, and the bylaws clearly identify the role of the Green Party of Kentucky.

The Green Party of Kentucky satisfies the second requirement—ballot access for a federal candidate—in that two individuals who had met the requirements for becoming a federal candidate gained ballot access as candidates of the Green Party of Kentucky in 2000. They were Ralph Nader for President and Ken Sain for U.S. Representative.

Date Issued: February 15, 2001; Length: 3 pages. ♦

Advisory Opinion Request

AOR 2001-5

Application of allocation rules to party committee litigation expenses related to state law issues (New Jersey Republican State Committee, March 21, 2001) ♦

800 Line

Treasurer's Liability

According to the Federal Election Campaign Act (the Act), a political committee is required to have a treasurer before it can conduct financial transactions. The treasurer is responsible for:

- Registering the committee;
- Depositing receipts within 10 days;
- Authorizing expenditures;
- Monitoring contribution limitations and prohibitions; and
- Signing and filing all reports and statements on time.

While committee support staff, volunteers or professional consultants may actually perform these duties, the treasurer remains responsible for the committee's compliance with the Act. 11 CFR 104.14(d). Moreover, if a

committee's treasurer is absent, the committee cannot make expenditures or accept contributions unless it has designated an assistant treasurer on the committee's Statement of Organization (Form 1). Committees are therefore strongly encouraged to name an assistant treasurer to fill any vacancies in the office of treasurer.

Treasurer's Liability in Enforcement Actions

In an enforcement action brought against a committee, the Commission names as respondents (i.e., those alleged to have violated the law) both the committee itself and the committee treasurer, in his or her official capacity. When an enforcement action alleges violations that occurred during the term of a past treasurer, the Commission nonetheless names the current treasurer as a respondent in his or her official capacity.

Treasurer's Liability Under Administrative Fine Program

Similarly, when the Commission makes a final determination and assesses a civil money penalty against a committee and its treasurer under the Administrative Fine Program, both the committee and the treasurer are liable for the fine. It is therefore important for treasurers to understand fully their obligations and responsibilities under the law. For more information, call the FEC's Information Division, 202/694-1100 or toll free at 800/424-9530 (press 1, then 3).◆

Compliance

Committees Fined for Late and Nonfiled Reports

On March 9, 2001, the Federal Election Commission publicized its final action on 6 new Administrative Fine cases, bringing the total number of cases to 48. Civil money

penalties are determined by the number of days the report was late or whether the report was so late as to be considered not filed, the amount of financial activity involved and any prior penalties for violations. Election sensitive reports (reports and notices filed prior to an election) receive higher penalties. The committees (listed in the chart below) and the treasurers of those committees were assessed civil money penalties when the Commission made its final determination. Unpaid civil money penalties are

referred to the Department of the Treasury for collection.

The Administrative Fine Program has a twofold purpose:

- To free critical Commission resources for more important and complex enforcement efforts; and
- To reduce the number of financial reports filed late or not at all.

Closed Administrative Fine case files are available through the FEC Press Office, at 800/424-9530 (press 2) and the Public Records Office, at 800/424-9530 (press 3).◆

Committee	Civil Penalty	Late/Nonfiler
Blake for Congress Committee	\$900	Nonfiler
John Fee for Congress	\$1,475	Late
Messer for Congress	\$2,700	Nonfiler
People for Royal Hart	\$725	Late
Rod Martin for Congress, Inc.	\$775	Late
Trotter 2000 for Congress	\$350	Late

Alternative Dispute Resolution

ADR Program Resolves More Cases

On February 16, 2001, the Commission resolved five additional cases under the Alternative Dispute Resolution (ADR) program. The respondents, the alleged violations of the Federal Elections Campaign Act (the Act) and the penalties assessed are listed below.

- The Byrum for Congress Committee agreed to pay a \$1,850 civil money penalty for having failed to report earmarked contributions. The respondent will attend an FEC-sponsored seminar on

Electronic Filing and Reporting Requirements and will meet with Commission staff for briefing sessions on reporting procedures.

- Prochoice Voter, the Westchester Coalition for Legal Abortion, Inc., and the Westchester Coalition for Legal Abortion PAC agreed to pay a \$1,117.70 civil money penalty for violations resulting from activities that allegedly resulted in prohibited contributions.
- The Friedheim for Senate Committee agreed to pay a \$1,000 civil money penalty for its failure to file disclosure reports in a timely manner. The Committee subsequently filed the reports and agreed to terminate activities.
- The Committee to Elect Thomas Cramer agreed to pay a \$1,000

(continued on page 8)

Alternative Dispute Resolution

(continued from page 7)

civil money penalty for violations resulting from its failure to file reports on time, to designate a campaign depository and to accurately report contributions. The respondent subsequently amended and corrected the reports and will attend an FEC-sponsored training seminar.

- Dr. Daniel R. Hightower agreed to pay a \$1,200 civil money penalty for violations relating to corporate contributions and contributions made in the names of others. The respondent will adopt and distribute, within 90 days of the effective date of the agreement, a corporate policy prohibiting corporate contributions to federal elections.

The ADR program's goal is to expedite resolution of some enforcement matters, reduce the cost of processing complaints and enhance overall FEC enforcement. For a case to be considered for ADR treatment,

a respondent must express willingness to engage in the ADR process, agree to set aside the statute of limitations while the case is pending in the ADR Office and agree to participate in bilateral negotiations and, if necessary, mediation. Cases resolved through ADR do not set a precedent for other enforcement actions or procedures.

Closed ADR-negotiated settlement summaries are available from the Public Records Office at 999 E Street, NW., Washington, DC 20463. The Public Records Office may also be contacted at 800/424-9530 (press 3). ♦

Court Cases

On Appeal

John Jay Hooker v. Don Sundquist, et al.

On November 9, 2000, John Jay Hooker appealed this case to the U.S. Court of Appeals for the Sixth Circuit. The appeal challenged a final judgment by the U.S. District Court of Tennessee that upheld the constitutionality of the Presidential Election Campaign Fund and Presidential Primary Matching Payment Account Acts and also found that Hooker "lack[ed] standing to challenge Congress' authority to regulate federal elections." The court further held that Hooker was barred from challenging the federal campaign finance statutes because he had unsuccessfully raised those claims in previous litigation. This case was originally argued as *Hooker v. All Contributors, et al.* See the August 2000 issue of the *Record*, page 15. ♦

Ralph Nader, et al. v. FEC

On January 31, 2001, Ralph Nader, et al., filed a petition for writ of certiorari with the U.S. Supreme Court. Petitioners seek to appeal a November 1, 2000, decision by the U.S. Court of Appeals for the First Circuit upholding a district court's denial of relief. Petitioners had asked for the FEC's Debate Regulations to be set aside, arguing that the regulations were in excess of the FEC's statutory authority under the Federal Election Campaign Act. This case, originally filed as *Becker v. FEC*, was covered in the November *Record*, p. 8. ♦

The FEC Takes Visa and Mastercard

FEC customers can pay for FEC materials with Visa or Mastercard. Most FEC materials are available free of charge, but some are sold, including financial statistical reports (\$10 each), candidate indexes (\$10) and PAC directories (\$13.25). The FEC also has a 5¢ per page copying charge for paper documents and a 15¢ per page copying charge for microfilmed documents.

Since the FEC will not fill an order until payment is received, using a credit card speeds delivery by four to five days.

Public Appearances

April 2, 2001
Georgetown University Law Center
Washington, DC
Lois Lerner

April 2, 2001
Political Action by Coors Employees
Washington, DC
Commissioner Smith

April 7, 2001
Holy Redeemer Area School
Portland, Oregon
Commissioner Sandstrom

April 10, 2001
Congresswoman Norton
Washington, DC
Penelope Bonsall

April 20, 2001
University of New Mexico
Albuquerque, New Mexico
Commissioner Smith

April 27, 2001
Cato Institute
New York, New York
Commissioner Smith

Outreach

Conference for Labor and Membership Organizations, June 11-13

On June 11-13, the Federal Election Commission will hold a conference tailored to meet the specific needs of labor and membership organizations. (Note, however, that this conference is not for trade associations, which have rules unique to them. See related article on page 11.)

The conference will consist of a series of workshops presented by Commissioners and experienced FEC staff, who will explain how the requirements of the federal election law apply to labor and membership organizations. The conference will cover the basic provisions of the federal election law and explain the rules governing participation of labor and membership organizations and their political action committees (PACs). Seminars will also address the new electronic filing requirements. In addition, a representative from the Internal Revenue Service will be available to answer election-related tax questions.

The registration fee for this conference is \$375, which covers the cost of the conference, materials and meals. The deadline for registration is May 25. A late registration fee of \$10 will be added effective May 26.

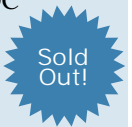
The conference will be held at the Hilton Crystal City, 2399 Jefferson Davis Highway, Arlington, VA 22202. A room rate of \$169 single/\$189 double is available for reservations made by May 14. Call 703/418-6800 to make reservations; you must notify the hotel that you will be attending the FEC conference. After May 15, room rates are based on availability. The hotel is located 2 1/2 blocks from the Crystal City Metro station and 5 blocks from the Crystal City Virginia Railway

FEC Announces Spring Conferences

The FEC will hold its annual Washington, DC conferences for corporations, trade associations and labor and membership organizations in April and June 2001. The specific information for these conferences is listed at right. To register for any conference, call Sylvester Management Corporation at 800/246-7277. For program information, call the FEC's Information Division at 800/424-9530 (press 1, then 3) or 202/694-1100. Registration and program information is also available online at: www.fec.gov/pages/infosvc.htm#Conferences.

Conference for Corporations

Date: April 4-6, 2001
Location: Washington, DC
(Loews L'Enfant Plaza)
Registration: \$375



Conference for Trade Associations

Date: April 9-11, 2001
Location: Arlington, VA
(Hilton Crystal City)
Registration: \$350

Conference for Labor and Membership Organizations

June 11-13, 2001
Location: Arlington, VA
(Hilton Crystal City)
Registration: \$375

Express station. Limited parking is available for a daily fee of \$12.

Registration Information

Conference registrations will be accepted on a first-come, first-serve basis. Attendance is limited, and FEC conferences have sold out in past years, so please register early. Individuals may register for the conference on line at Sylvester Management Corporation's secure Web page at www.fec.gov/pages/infosvc.htm#Conferences. Individuals may either submit the registration form and credit card payment information on line or they may complete the screen-fillable conference registration form available at the Web site, print it, and:

- Fax the form and credit card payment information to Sylvester Management Corporation at 803/732-0135; or

- Mail the registration form and conference fee to Sylvester Management Corporation, P.O. Box 986, Irmo, South Carolina 29063.

Conference registration information is also available:

- By telephone (call Sylvester Management Corporation at 800/246-7277); and
- By e-mail (send inquiries to toni@sylvestermanagement.com).

Program Information

For specific program information about this conference, call the Federal Election Commission's Information Division at 800/424-9530 (press 1, then 3) or 202/694-1100. ♦

(continued on page 11)

Statistics

Semiannual PAC Count Shows Increase from July 2000

The FEC's semiannual Political Action Committee (PAC) count reveals that, during the final months of the 2000 election cycle, the number of PACs increased by 201 committees. According to the Federal Election Commission's semiannual survey, the total number of registered PACs was 3,907, as of January 1, 2001.

Corporate PACs remain the largest category, with 1,545 com-

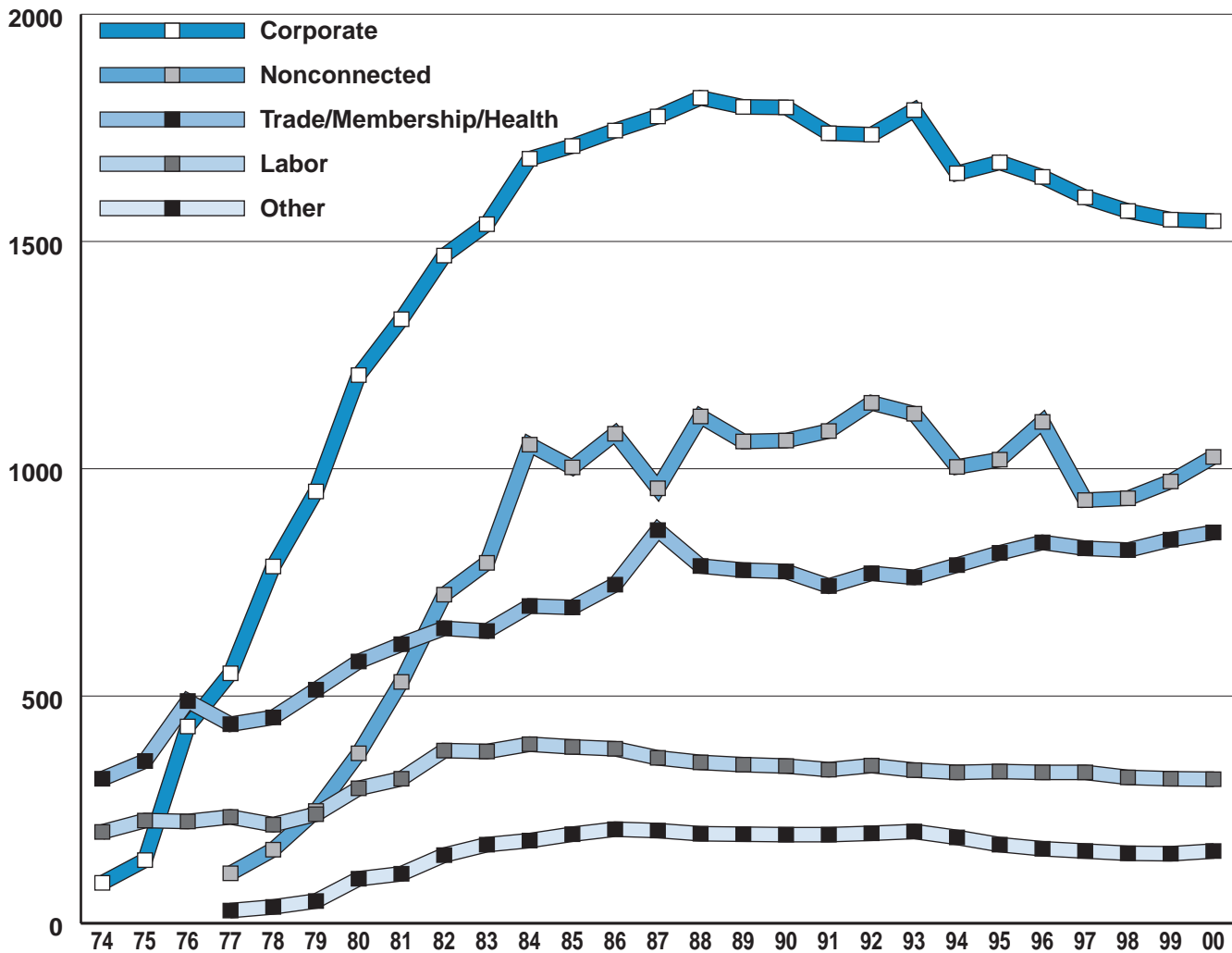
mittees, followed by nonconnected PACs, with 1,026 committees, trade/membership/health PACs, with 860 committees, and labor PACs, with 317 committees. There were 118 PACs of corporations without stock and 41 PACs of cooperatives. The graph below shows the complete PAC figures since 1974.

PACs sponsored by corporations and labor organizations are technically referred to as "separate segregated funds" and must register within 10 days of their establishment. Nonconnected PACs (those with are not connected to or sponsored by a corporation or labor organization, and which are not

related to a candidate's campaign or to a political party organization) must register within 10 days after certain financial activity exceeds \$1,000 during a calendar year.

To see a complete listing of PAC statistics dating back to 1975, visit the FEC's Web site (www.fec.gov) or request a copy of the agency's January 25, 2001, press release (call 800/424-9530 and press 3 for the Public Records Office or press 2 for the Press Office). ♦

PAC Count—1974-2000



Outreach

(continued from page 9)

Are You a Membership Organization?

The FEC's Labor and Membership Organization Conference is intended only for:

- Labor unions; and
- Membership organizations other than trade associations.

If you are not certain which type of organization you represent, please read the following descriptions of membership organizations and trade associations. Membership organizations and trade associations share many of the same characteristics—indeed, trade associations are a type of membership organization. Trade associations, however, have certain unique characteristics and rules, which set them apart from other kinds of membership organizations.

Campaign Guides Available

For each type of committee, a *Campaign Guide* explains, in clear English, the complex regulations regarding the activity of political committees. It shows readers, for example, how to fill out FEC reports and illustrates how the law applies to practical situations.

The FEC publishes four *Campaign Guides*, each for a different type of committee, and we are happy to mail your committee as many copies as you need, free of charge. We encourage you to view them on our Web site (go to www.fec.gov, then click on "Campaign Finance Law Resources" and then scroll down to "Publications").

If you would like to place an order for paper copies of the *Campaign Guides*, please call 800-424-9530, press 1, then 3.

Definition of Membership Organization

Generally, a membership organization is defined by the following criteria:

- It provides for members in its articles and bylaws;
- It seeks members;
- It acknowledges the acceptance of members (e.g., by distributing membership cards); and
- It is not organized primarily for the purpose of influencing the election of an individual to federal office.

Definition of Trade Association

In addition to having the characteristics above, a trade association possesses two unique features:

- Its membership is comprised of persons and/or companies engaged in a similar or related line of commerce or business; and
- It is organized to promote and improve the business conditions of its members.

If your organization qualifies as a trade association, with its own special characteristics and rules, the FEC asks that you register for one of the FEC's upcoming Regional Conferences, which will address trade association issues. Details about the Regional Conferences will be announced soon in the *FEC Record* and online at www.fec.gov/pages/infosvc.htm#Conferences. ♦

Index

The first number in each citation refers to the "number" (month) of the 2001 *Record* issue in which the article appeared. The second number, following the colon, indicates the page number in that issue. For example, "1:4" means that the article is in the January issue on page 4.

Advisory Opinions

- 2000-24: Preemption of state election law mandating fixed allocation ratio for administrative and voter drive expenses, 2:2
- 2000-27: Status of party as state committee, 3:6
- 2000-28: Disaffiliation of trade associations and their PACs, 2:3
- 2000-32: Reporting uncollectable loan, 1:9
- 2000-34: Name and acronym of SSF, 2:5
- 2000-35: Status of party as state committee, 1:10
- 2000-36: Disaffiliation of nonconnected PACs, 2:5
- 2000-37: Use of campaign funds to purchase and present Liberty Medals, 2:6
- 2000-38: Registration of party committee due to delegate expenses, 2:7
- 2000-39: Status of party as state committee, 2: 8
- 2000-40: Donations to legal defense fund of Member of Congress, 3:7
- 2001-1: Use of political party's office building fund to pay building renovation costs and fundraising expenses of building fund, 4:5
- 2001-2: Status of party as state committee, 4:6

Compliance

- Committees fined under Administrative Fines Program, 2:6, 4:7
- MUR 4762: Prohibited union contributions and other violations, 2:9
- MUR 5029: Contributions in the name of another made by corporation and government contractor, 2:10

Court Cases

- _____ v. FEC
- Beaumont, Christine, 2:8, 3:2
 - Buchanan, 1:10
 - DNC, 2:8, 3:2
 - Miles for Senate, 3:3
 - Nader, 4:8
 - Natural Law Party of the United States of America, 1:10, 2:8, 3:2

(continued on page 12)

Index

(continued from page 11)

Other

- Hooker v. All Campaign Contributors, 1:10
- Hooker v. Sundquist, 4:8

Regulations

- Advanced Notice of Proposed Rulemaking on definition of “political committee,” 4:1
- Final rules for general public political communications coordinated with candidates and party committees; independent expenditures, 1:2

Reports

- Amendments to Statements of Organization, 2:1
- California special election, 3:5
- Committees required to file tax returns, 3:4
- Nevada state filing waiver, 2:2
- Pennsylvania Special Election, 4:5
- Reports due in 2001, 1:4

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