

FEDERAL ELECTION COMMISSION



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FEC RECOMMENDS CHANGES IN CAMPAIGN FINANCE LAWS

WASHINGTON - February 8 - The Federal Election Commission today agreed to a package of more than 50 legislative recommendations to make to Congress aimed at simplifying all aspects of the federal campaign finance law.

The FEC said "During implementation of the 1976 Amendments (to the Federal Election Campaign Act, as amended in 1974 and 1976), the Commission kept a continually updated listing of omissions, inadequacies and other problems. The legislative recommendations...are a condensation of this original listing, produced by a group of Commissioners and staff members with the final approval of the Commission."

"Not all of the Commissioners agree with each of the following recommendations," today's FEC report said. "Rather, these suggestions merely cite areas in which the Congress may wish to consider amendments in order to improve the functioning of the Act."

"As the Congress begins to deliberate over possible modifications of the law, the Commission wishes to offer every available assistance in order to make the Act simpler, more workable, and better able to instill public confidence in the political process," the FEC said.

The recommendations for changes in the law include reducing the number of campaign finance reports required; allowing state and local political parties to make expenditures on behalf of their Presidential candidates; tightening up requirements for committees to become "multi-candidate committees" eligible for higher contribution limits; substituting annual or election cycle contribution limits for the current "per election" contribution limits; imposing prohibitions against personal use of campaign funds by candidates; bringing Presidential nominating convention delegates, and "draft" movements specifically under the law; and raising the threshold for reporting of "independent expenditures" to \$250 from \$100.

Under the federal campaign finance law, the Federal Election Commission must transmit with its annual report to the President and to Congress "recommendations for such legislative or other action as the Commission considers appropriate."

The following are highlights of the legislative recommendations of the FEC:

SIMPLIFICATION OF REPORTING

- Dual candidates and committee reporting - eliminate the dual reporting of both the candidate and the candidate's campaign committee by allowing one or the other to file complete campaign reports.

- Reduced filing dates - in off-election years, only two reports would be required: July and year-end. During election years, House and Senate candidates would file quarterly reports (including a year-end report) and 12-day pre-election reports, eliminating the post-election reports. Presidential candidates would file monthly reports (in lieu of pre-primary reports for each primary), a pre-general election report, and the year-end report. Multi-candidate committees could either file on a monthly basis, or on a quarterly and pre-primary basis, and would also have to file pre-general election and year-end reports.

- Multi-candidate committee support statements - eliminate the requirement that multi-candidate committees file amendments to their registration statements each time they contribute to a different candidate.

- FEC waiver authority - provide the Commission authority to grant reporting "waivers" in "cases where reports or requirements are excessive or unnecessary."

- Contribution limitations - change the contribution limitations to an "annual" or "election cycle" basis to eliminate dual bookkeeping and complicated accounting between separate primary and general election contributions.

- Statements filed with state officers - allow the Commission regulatory authority to determine "the time, place and manner" in which reports should be filed with Secretaries of State or equivalent officers; this could permit the FEC to eventually supply state officers with microfilm copies of campaign reports, or to make reports available through computer terminals in each state, or to reduce the present report preservation requirements; or to otherwise simplify the duplicate state reporting requirement.

- Point of entry - make the FEC the "sole point of entry for filing of all disclosure documents filed by federal candidates and committees supporting those candidates".

- Written pledges - eliminate the requirement that "written pledges" be treated as reportable contributions. Require the maintenance of records of written pledge cards and similar "written instruments", but reporting only actual contributions received.

- Independent expenditures - raise the threshold for reporting of independent expenditures from \$100 to \$250.

- Independent contributions - eliminate the requirement that "independent contributors" report to the FEC; require that persons who file independent expenditure reports report the sources of any contributions in excess of \$100 "made with a view towards bringing about an independent expenditure."

PRESIDENTIAL ELECTIONS

- Delegate selection - the Commission recommends that "amendments are needed to delineate the status of delegates and delegate-candidates to Presidential nominating conventions" and how the reporting, and contribution and expenditure limitation requirements apply to them; suggests that delegate travel and subsistence expenses in connection with caucuses and conventions be exempted from the definition of contribution and expenditure, that delegates be categorized as "authorized" or "unauthorized" by a Presidential candidate for purposes of imposing reporting and limitations requirements.

- Incidental support of Presidential nominee "Congress may wish to clarify to what extent a congressional candidate may give...incidental support to a (publicly funded) Presidential nominee" without violating the prohibition on contributions-in-kind. The FEC suggests a separate spending limit for this purpose - \$2,500 or $\frac{1}{2}\%$ X the voting age population of the district or state, whichever is greater. The Commission also suggests that the "brief mention" of, or appearance of, the nominee in newspaper ads or other media should not be considered a contribution if the "purpose is to further the election of the congressional candidate."

- State expenditure limitations - "Consideration (should) be given to the retroactive application of expenditure limitations to Presidential candidates who apply for public funds after they have campaigned in several primaries. Congress may wish to establish that any candidate who exceeds the state-by-state ceilings would not be eligible to receive primary matching funds."

- Issue-oriented candidates - require "written instruments" submitted in support of matching fund requests to include the name of the candidate in order for the Commission to determine whether the contributor has "given to further the election of the candidate or merely to further the issue or the cause" he or she represents.

- Fundraising exemption - eliminate the 20% fundraising exemption and raise the expenditure limitation accordingly.

CONTRIBUTION AND EXPENDITURE LIMITATIONS AND THE ROLE OF THE POLITICAL PARTY

- Political party activity - allow state party committees to spend the greater of \$20,000 or 2% X the voting age population on behalf of their party's presidential candidate currently allowed only for the national party committees. The state committees could delegate this spending right to subordinate committees. Also, local committees "should be allowed to distribute campaign materials...normally associated with volunteer activity (pins, bumper stickers pamphlets, yard signs, etc., but not billboards, television, or public political advertising.)"

- Contribution limitations - the Commission makes no specific recommendation on whether to raise or lower the contribution limits, but "urges Congress to study the impact of the various ceilings" in order that the limits be in harmony with the spirit of the law.

- Expenditure limitations - the Commission makes no specific recommendation, but suggests raising the expenditure limits for publicly-funded candidates in the general election and primaries, and for national nominating conventions.

- Contributions by minors - "Contributions by children under the age of 16 should be considered to have been made by the parent," and subject to the parent's contribution limit.

- Multi-candidate committee status - a committee may give contributions of any amount to five or more candidates in order to achieve "multi-candidate committee" status and to be eligible to contribute \$5,000 per candidate per election. A minimum contribution per candidate should be added to these eligibility requirements.

- Draft movements - "Congress may wish to consider amending the Act to bring candidate draft movements within the reporting provisions and contribution limitations." In addition, the Commission suggests that a person who contributes to a draft movement be eligible to give to an individual who becomes a candidate "only to the extent that his earlier contribution does not exceed the 'candidate' limits."

CORPORATE AND UNION ACTIVITY

- Honorariums - prohibit corporations and unions from giving honorariums to Federal candidates.

- Registration and get-out-the-vote - "Congress may wish to...allow corporations and labor organizations to conduct non-partisan registration and get-out-the-vote activities aimed at the general public...so long as the activities are not targeted toward selected groups...and so long as the activities merely urge people to register and vote."

CLARIFICATION PROVISIONS

- Legislatively appropriated funds - the Commission suggests that clarification is needed concerning use of appropriated funds in connection with election campaigns. This covers use of government cars, government-paid staff, mobile vans, etc.

- Volunteered services - since the Act presently places no restrictions on professional services volunteered to a candidate on a commercial, non-campaign basis, Congress "may wish to circumscribe...the use of professional services when they are not donated directly to the candidate or his committee for campaign-related purposes."

MISCELLANEOUS PROVISIONS

- 48-Hour Reports - The commission suggests that multi-candidate committees be required to submit reports on contributions of \$1,000 or more made after the 15th day, but more than 48 hours before any election, as is presently required of candidates.

- Reporting of transfers - Transfers among candidates and committees should be reported in a manner to indicate "the office sought and the District, rather than the address, with regard to candidate contributions."

- Conciliation period - to "process complaints more expeditiously, "the present 30-day conciliation period required in compliance cases should be shortened to 15 days.

- Legislative days - "The Congress may wish to consider reducing the current 30-legislative day review of regulations to 15."

- Private profit - "Congress should reinstate...strict controls on campaign activities conducted for the private profit of the candidate or committee, particularly in cases involving the conversion of political funds to personal use."

- Multi-Year authorization - "The Commission should be given a multi-year authorization of appropriations in order to increase its ability to engage in long-range planning and to make long-range decisions on implementing the law."