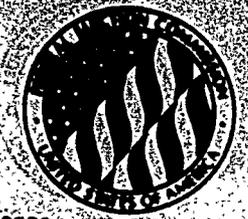


# FEDERAL ELECTION COMMISSION

Press Office  
999 E Street, N.W., Washington, D.C. 20463  
Phone: Local 376-3155 Toll Free 800-424-9530



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CONTACT: FRED EILAND  
SHARON SNYDER  
SCOTT MOXLEY

## FEC SEEKS RECONSIDERATION OF DRAFT TREASURY RULES ON PRESIDENTIAL ELECTION FUNDING

WASHINGTON -- During a public hearing today, the Federal Election Commission sought reconsideration of draft Treasury Department regulations which may govern the distribution of public funds to 1992 presidential candidates in the event of a shortfall in the taxpayer supported check-off program.

FEC Chairman John Warren McGarry testified that the Treasury Department's draft regulations could have a serious detrimental impact on upcoming presidential primary campaigns.

"The draft proposal could create a severe artificial shortage of funds for presidential primary candidates and may ultimately affect campaign strategies, create unwarranted hardships and inequities - and induce some to reject public funding altogether," said McGarry.

Recent projections show that Treasury's proposal could short-change presidential primary candidates as much as \$12.6 million during the early primaries, although a shortfall eventually would be eliminated by future monthly deposits into the Presidential Election Campaign Fund.

An FEC suggested alternative would maximize payments to candidates while adhering to all statutory requirements. This proposal, which would take into consideration anticipated future receipts when calculating payments from the Fund, would lessen the impact on presidential campaigns. For example, \$11 million more would be available to candidates in one month, February 1992, than under Treasury's plan.

A public education program to inform taxpayers about the check off program is scheduled to begin in March in preparation for annual income tax filings. In late 1990, the FEC conducted focus groups in New Jersey, Tennessee and Oregon to study why taxpayers do or do not contribute to the fund.

Without congressional action, the FEC also estimates there will be a \$150 million shortfall for the 1996 race. The Presidential Election Campaign Fund, which is supported through \$1 contributions voluntarily earmarked by taxpayers on income tax returns, has helped fund primary campaigns, national party conventions and general election campaigns since 1976.

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