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Court Cases

Perot '96 v. FEC (98-1022)

On April 12, the U.S. District Court for the District of Columbia dismissed this case with prejudice at the plaintiff's request.

Perot '96, the 1996 committee of former Reform Party Presidential candidate Ross Perot, had asked the court to find that the FEC acted contrary to law in dismissing an administrative complaint that Perot '96 had filed against the Commission on Presidential Debates(CPD). The CPD had sponsored the 1996 Presidential debates to which Mr. Perot was not invited to participate.

Perot '96 had asked the court to order the FEC to take action on the complaint or to find that the agency's regulations governing nonpartisan candidate debates were unconstitutional. 11 CFR 110.13 and 114.4(f). At the time of the plaintiff's voluntary motion to dismiss with prejudice, the Commission's motion to dismiss for lack of standing was pending and awaiting judgment. For a full description of this case, see the June 1998 Record, p. 3.

U.S. District Court for the District of Columbia, 98-1022. ✦

Electronic Filing

Q & A for FEC's Electronic Filing Program

Just as the FEC electronic filing system has made filing faster and easier, it has also prompted new questions from the filing community. Although some questions are unique to a particular committee or situation, many are commonly asked by first-time electronic filers. See some of the most frequently asked questions—and the answers—below.

Must I start filing electronically at the beginning of the year?

No. Filers may begin filing electronically at any time. By starting as soon as possible, however, filers minimize the amount of previous-period data that must be entered to ensure accurate year-to-date figures.

Do I need to have my electronic format approved prior to filing?

No. This misconception is common among those who currently file paper reports generated by computer software. Committees that file paper reports generated by a computer must obtain FEC approval of their format prior to using it. By contrast, the format for electroni-

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Electronic Filing

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cally filed reports requires no advance approval.

Isn't electronic filing for Presidential committees only?

No. While it is true that Presidential committees that accept matching funds are *required* to file electronically, all other campaign committees, and PACs and party committees, may *elect* to participate in the FEC's electronic filing program.

I must be connected to the Internet to file electronically, right?

No. Using the Internet to upload reports is just one way to submit electronically filed reports to the Commission. Filers may also file directly from their modems to the FEC's modems. The third option is to save computer-generated reports to a diskette and mail it to the FEC. Using a diskette allows those who have no modem or Internet access to participate in electronic filing. It also provides a backup filing method in cases where Internet access or phone service is temporarily interrupted.

Can I e-mail my report to the FEC?

No. E-mail is not secure enough to handle electronic filing and provides no method for evaluating filing.

How does the treasurer "sign" an electronic report?

The treasurer's signature required on a paper filing is replaced by the treasurer's password for filing electronically. To obtain a password, the treasurer must submit a written, signed request on official committee letterhead to the electronic filing office. Mail the request to: Federal Election Commission, Electronic Filing Office, 999 E St., NW, Washington, DC 20463.

How can I obtain FECFile 3?

Filers have two options for securing a copy of the FEC's free filing software. Note that FECFile 3 requires a PC with Windows 95, 98 or NT and approximately 8 MB free disk space.

- Download it directly from the FEC's web site. Go to http://www.fec.gov and click on the link "Electronic Filing at the FEC." From the menu selection, choose "Download," fill in the requested information and click "Submit" to have the form processed. Consult the instructions that follow on subsequent web pages to download the software to your hard drive.
- Call the FEC at 800/424-9530 and request to speak with the Electronic Filing Office. Someone there will see that a copy of the software is mailed to you.

Is FECFile 3 the only electronic filing option?

No. There are also commercial vendors that integrate electronic filing capability into their software packages. Committees currently using software to produce paper FEC reports should check with the software vendor to see if electronic filing is available.

Shouldn't I wait until more committees are filing electronically?

More committees *are* filing electronically. As of this writing, 284 committees have filed 1,707 reports electronically. This is a 32 percent increase over the last six months. The system is fast, easy and reliable, and there is no time like the present to get started.

If I have additional questions about electronic filing, where can I get help?

- Committees with questions about electronic filing should call the FEC's electronic filing office at 202/694-1306 or 800/424-9530 (press 1 and ask for the electronic filing office), or send an e-mail to electronic@fec.gov. Information about electronic filing is also available at the FEC's web site—http://www.fec.gov (click on the link "Electronic Filing at the FEC").
- For technical questions about FECFile3, call the 24-hour support line at 818/889-2000.
- For technical questions about other filing software, call the software vendor for assistance. ❖

Federal Election Commission
999 E Street, NW
Washington, DC 20463

800/424-9530
202/694-1100
202/501-3413 (FEC Faxline)
202/219-3336 (TDD for the hearing impaired)
800/877-8339 (FIRS)

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Federal Register

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

Notice 1999-7
Definition of Express Advocacy; Notice of Disposition on Petition for Rulemaking (64 FR 27478, May 20, 1999)

Advisory Opinions

AO 1999-4
Contributions and Exempt Party Activity Undertaken by Unregistered Local Party Organization

Minnesota's Senate District 43 committee (SD 43), a local party organization, may make contributions to federal candidates and exempt payments on behalf of federal candidates without registering as a federal political committee so long as it uses permissible funds for these purposes and its contributions and payments do not exceed federal registration thresholds. The Republican Party of Minnesota (RPM), SD 43's parent political body, need not include SD 43's contributions to federal candidates in order to determine its compliance with the limit on contributions by multicandidate committees.

SD 43 is registered as a state committee in Minnesota and maintains one campaign account. State law prohibits its acceptance of corporate contributions, but does allow it to collect contributions from unions up to $100 and from individuals, other state political committees and "political funds" of an association in unlimited amounts.

Commission regulations list four thresholds for determining when a local committee of a political party qualifies as a political committee:

- A committee receives contributions aggregating in excess of $5,000 during a calendar year;
- A committee makes exempt payments (under 11 CFR 100.7(b)(9), (15) and (17)) aggregating in excess of $5,000 during a calendar year;
- A committee makes contributions aggregating in excess of $1,000 during a calendar year; or
- A committee makes expenditures aggregating in excess of $1,000 during a calendar year. 11 CFR 100.5(c).

Commission regulations define affiliated committees as those established, financed, maintained or controlled by the same person or group, and treats these committees as a single committee with regard to contributions they receive and make. 11 CFR 100.5(g), 102.2(b)(1) and 100.3. Contributions made by a state party committee and subordinate party committees within the same state are therefore presumed to be made by one political committee unless:

- The subordinate party organization has not received funds from any other political committee established, financed, maintained or controlled by any unit of the party; and
- The subordinate party organization does not coordinate its contributions with any other unit of the party organization or any political committee established, financed, maintained or controlled by another party unit. 11 CFR 110.3(b)(3)(i)-(ii), AO 1978-9.

Under this standard, SD 43 is not independent of RPM. Nevertheless, it is not required to aggregate its contributions with those of RPM. FEC regulations and AO 1978-9 state that the aggregation rule does not apply to a local party organization unless it qualifies as a "political committee," as defined by the Commission. 11 CFR 110.3(b)(3) and AO 1978-9. Therefore, because SD 43 is not a registered political committee with the FEC, RPM and SD 43 do not need to aggregate their contributions to federal candidates to determine RPM's compliance with the limits on contributions by multicandidate committees.

SD 43 may make direct contributions to federal candidates without registering with the FEC so long as its contributions or exempt payments remain below the registration thresholds (see above). Contributions and exempt payments are treated separately for determining whether a committee must register with the FEC. Thus, SD 43 could make $990 in contributions and $4,900 in exempt payments in the same calendar year without such actions triggering registration with the FEC.

SD 43 must also comply with Commission regulations that prohibit the use of certain funds to make contributions, expenditures or exempt payments to federal candidates.

Because its one account could contain funds from prohibited contributors, and because SD 43 plans to support federal candidates, SD 43 must either:

- Establish a separate account for federal activity, which could only contain funds permissible under federal law, or
- Demonstrate through a reasonable accounting method that its contributions to federal candidates (and its expenditures and exempt payments) come from funds that are federally permissible. 11 CFR 102.5(b)(1)(i) and (ii).

Regardless of whether a party organization has separate federal and nonfederal accounts, it is subject to the allocation rules.

If SD 43 engages in exempt party activities that involve federal and nonfederal election activity, the portion of payments allocable to federal activity would count toward the $5,000 registration threshold. 11 CFR 106.5(a)(1), 106.5(a)(2)(iii) and 106.5(e). If SD 43 becomes a political committee, it must establish a federal account, and must conduct all federal activity from that account. Only funds permissible under the limitations and prohibitions of the Federal Election Campaign Act may be deposited in the account.

Date Issued: April 22, 1999; Length: 5 pages. ❖

(Advisory Opinions continued on page 4)

Advisory Opinions

(continued from page 3)

AO 1999-5 Allocation Expenses in NM for Elected State Commission

The Democratic Party of New Mexico (DPNM) may adjust its ballot composition ratio during the 2000 election cycle to include one point for candidates it intends to support for seats on the recently-created Public Regulation Commission (PRC), a state utilities regulatory body made up of five Commissioners elected by voters in five geographic areas of the state.

The PRC's first five Commissioners were elected in November 1998. Ultimately, Commissioners will serve four-year terms, but, in this initial phase, two Commissioners' terms have been shortened in order to stagger the terms and provide continuity on the PRC. Consequently, two PRC seats will be on the ballot in November 2000. The DPNM, which intends to support the Democratic candidates for the two seats, allocates its administrative and generic voter drive expenses using the ballot composition method and would like to count the PRC elections as "other partisan executive statewide offices" in that ratio.

Commission regulations require state party committees with both federal and nonfederal accounts to allocate administrative and generic voter drive expenses based on the ratio of federal offices expected on the ballot to total federal and nonfederal offices expected on the ballot in the next general election to be held in the committee's state or geographic area. 11 CFR 106.5(d)(1)(i). The method for calculating these points is found at 11 CFR 106.5(d)(1)(ii). Among state offices, the offices of governor, state senator and state representative count as one nonfederal point each. If there are other partisan statewide executive candidates expected on the same ballot, those offices count as no more than two nonfederal points in the ratio. The category, "other partisan statewide executive candidates," encompasses candidates for state-level executive offices other than governor—for example, lieutenant governor and attorney general—where those offices are elected by popular vote from among partisan candidates.

Those elected to the PRC, however, differ from these examples in that they are each elected, respectively, by voters in one of the five geographic districts—not by voters from the entire state. PRC candidates are comparable to candidates for state senator and state representative—also elected by district to positions that are part of the state government. Thus, they are considered "other partisan statewide executive candidates." The upshot: the DPNM can take these candidates into account in calculating its ballot composition ratio for the 2000 election cycle.

Since no more than one of the candidates for the PRC will appear on any single ballot in New Mexico and the average voter will have an opportunity to vote for just one PRC candidate, the DPNM is entitled to just one nonfederal point for the office of PRC Commissioner in its ballot composition ratio calculations.

The DPNM can declare a revised ballot composition ratio that includes a point for partisan statewide executive candidates on a schedule H1 of its next report, which covers activity from January 1 through June 30, and is due to the FEC by July 31. Presumably, the DPNM has incurred allocable administrative and generic voter drive expenses since January 1, and has transferred funds from its nonfederal account to its federal account to cover the nonfederal share of those expenses. To the extent that those transfers were less than what would have been allowed had the DPNM included a nonfederal point for PRC candidates in its ballot composition ratio, the Commission permitted DPNM to make additional transfers from its nonfederal account to make up the difference. As a special exception in this case, DPNM had until April 30 to adjust any transfers made between January 1 and March 2, 1999. Any adjustments to transfers made after March 2, had to be made within the 70 day window set out in 11 CFR 106.5(g)(2).

Date Issued: April 16, 1999; Length: 4 pages. ✦

AO 1999-6 Contributions Deducted from Contributor's Annuity Payments

The National Rural Letter Carriers' Association (NRLCA) may use a third party deduction system to collect contributions from its retired members' annuity payments and transmit them to its separate segregated fund, the NRLCA PAC.

The approximately 26,000 retired letter carriers who are part of the NRLCA receive monthly annuity payments via the U.S. Office of Personnel Management (OPM). This office has recently expanded a procedure that allows retirees to have OPM deduct amounts from their annuity payments for certain purposes, including voluntary contributions to a separate segregated fund. To begin, modify or discontinue deductions to a PAC, a retiree dials a toll-free number and enters a seven-digit annuity number to gain access to his or her personal account. If the retiree uses OPM's interactive voice response system to authorize a PAC contribution, he or she must also enter a personal identification number.

While Commission regulations prohibit a labor union from making contributions in connection with a federal election, a union may solicit

its membership for contributions to its PAC, from which it may then make contributions to federal candidates. 11 CFR 114.5(g)(1), 114.1(c)(1) and 114.1(j). A union may use a checkoff system or other periodic payment plan to facilitate the making of voluntary contributions from its membership. 11 CFR 114.1(f). Under 2 U.S.C. §432(c), a treasurer is required to keep account of all contributions a PAC receives along with identification for those who contribute more than $50. The treasurer must also itemize totals for contributions that aggregate over $200 in a calendar year. 2 U.S.C. §434(b)(2) and (b)(3).

Member

NRLCA qualifies as a membership association for purposes of the Federal Election Campaign Act. Its retired active members pay dues and have the right to vote for the highest governing body, or for those who choose the members of that body, thus satisfying the Commission's criteria for member. The retirees are eligible, therefore, to be solicited for contributions to the NRLCA PAC.

The Allotment Process

The OPM allotment has safeguards to ensure that retiree contributors have exclusive and complete control over the contribution process. The retiree must take some affirmative action to authorize, change or end monthly PAC contributions. Further, the proposal has features that are the same as those the Commission approved in AO 1999-3. In that opinion, the Commission allowed the use of an electronic signature—with unique identifier safeguards—to authorize payroll deductions to a corporate PAC. As was the case in that advisory opinion, the fact that NRLCA contributors did not authorize the annuity deductions with a handwritten signature is not significant in light of the circumstances. NRLCA PAC, however, must maintain records of the authorizations in a readable electronic record format for at least three years, and must make those records available to the Commission upon request. 11 CFR 102.9(c), 104.14(b)(1) and (b)(3).

Magazine Solicitation

NRLCA PAC intends to publish an article/solicitation announcing the annuity allotment method in its union magazine. The PAC must follow FEC solicitation regulations, such as informing prospective contributors about the PAC's political purpose and about their right to refuse to contribute without any reprisal. If guidelines for contributions are suggested, it must be made clear that they are only suggestions and that other amounts may be contributed instead. 11 CFR 114.5(a)(1)-(5).

Because the article represents a PAC solicitation, it may only be distributed to the PAC's restricted class. Nevertheless, NRLCA PAC may distribute the magazine, containing the solicitation, to approximately 450 recipients—out of a total 97,000—who do not fall within this category, provided that:

- The article explicitly states that NRLCA and its PAC will screen contributions and will return any contributions made in response to the article that come from individuals who are not part of the solicitable class;
- The PAC implements this return/refund policy; and
- The actual number and percentage of unsolicitable persons who receive the publication remain incidental or de minimus as compared to the entire circulation. See AOs 1994-21, 1981-7, 1980-139, 1979-50 and 1978-97.

The 450 unsolicitable recipients are de minimus (less than 1 percent) of the circulation.

Recordkeeping

NRLCA PAC's proposed procedures for recordkeeping for the annuity allotments meet Commission requirements. OPM intends to send NRLCA PAC a lump sum composed of the retirees' allotments, with individual details provided in supplemental records. Provided that NRLCA PAC obtains these additional records that identify contributions, it will be in compliance with FEC regulations. This information, however, must allow the PAC and NRLCA to distinguish between contributions and dues payments. Because OPM does not provide a breakdown of the allotment payment into subcategories such as dues or contributions, NRLCA PAC must use separate bank accounts to ensure the segregation and timely deposit of allotment proceeds. The PAC must itemize contributions from individual contributors—received via the annuity deductions or other means—when they exceed $200 in a calendar year.

Date Issued: April 30, 1999; Length: 9 pages. ✦

AO 1999-7 Minnesota Links to Candidate Web Sites

The Secretary of State's office in Minnesota may provide links from its web site, containing information about candidates for elective office, to those same candidates' campaign web sites without making an expenditure. Providing such links is one of the ways the state intends to sponsor nonpartisan activities that promote voter participation, and such actions are exempt from the definition of expenditure.

Minnesota already maintains a web site with basic information about all candidates who have filed for federal, state and county offices in the state. With the increased use of the Internet, the state anticipates that federal candidates will request that their web addresses be included among the information the Secretary

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Advisory Opinions

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of State's office makes public. For any candidate who provides the Secretary of State with a Uniform Resource Locator, or URL, the Secretary of State would provide a free hyperlink between the web site it maintains and the candidate's web site.

The Secretary of State's web site would include a disclaimer stating that the hyperlinks are provided by the candidates themselves and are displayed for voter information purposes only. The disclaimer would also add that the candidates' web sites are not monitored or regulated by the state of Minnesota.

The Federal Election Campaign Act (the Act) defines an expenditure, in part, to include any purchase, payment, gift of money or anything of value made by any person for the purpose of influencing a federal election. 2 U.S.C. §431(9)(A)(i). An exception in the Act, however, provides that nonpartisan activity designed to encourage individuals to vote or to register to vote is not an expenditure. 2 U.S.C. §431(9)(B)(ii). "Any cost incurred for activity designed to encourage individuals to register to vote or to vote is not an expenditure if no effort is or has been made to determine the party or candidate preference of individuals before encouraging them to register to vote or to vote…." 11 CFR 100.8(b)(3).

The Commission views Minnesota's efforts to provide information in a nonpartisan manner about all ballot-qualified candidates (for any office) as nonpartisan activity designed to encourage individuals to vote or register to vote.

Minnesota's proposal to include, in this information, free hyperlinks to candidate web sites falls within this exemption. Thus, the hyperlinks would not be considered a contribution or an expenditure under the Act.

Date Issued: April 22, 1999; Length: 3 pages. ✦

AO 1999-8
Investing Committee Funds in Mutual Funds

Citizens for Arlen Specter, the principal campaign committee for Senator Arlen Specter, may invest excess campaign funds in the Vanguard Group's family of mutual and bond funds.

Mr. Specter was reelected to the Senate in 1998 and does not anticipate significant expenditures from his campaign committee until 2003 when he may seek reelection. In view of the length of time the funds would be available for investment, the Committee has deemed it prudent to diversify its current investment practices and pursue a more aggressive strategy. The Committee treasurer would allocate its funds among a number of investment options offered by the Vanguard Group. Neither Mr. Specter nor members of his staff would be informed of the specific Vanguard funds selected. The fund names, however, would appear on reports filed with the FEC once the funds showed returns.

The Federal Election Campaign Act (the Act) requires a political committee to designate at least one campaign depository with accounts that are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. All funds received by a political committee must be deposited in a checking account or other account held with the campaign depository. 2 U.S.C. §432(h)(1). Further, all disbursements, other than petty cash, must be made by check or similar draft drawn on these accounts.

Commission regulations allow political committees to transfer funds from the depository for investment purposes. 11 CFR 103.3(a). The regulations list several examples of investment vehicles and, past advisory opinions have addressed and permitted investments in government securities, money market funds and cash management accounts. AOs 1997-6, 1986-18 and 1980-39. Committees must report the receipts—dividends, interest and the like—from these investment accounts. 11 CFR 104.3(a)(1), (a)(3)(x) and (a)(4)(vi). They must also first return the investment funds to the campaign depository before using the money to make disbursements. Additionally, the Commission has concluded that interest and other income automatically and directly reinvested in the account should be reported as an "other receipt" by the committee. This income, however, need not be deposited into the campaign depository since the reinvestment of the funds is merely a conversion of one form of cash on hand to another, and not an expenditure. AO 1997-6.

As long as the Committee follows the Commission's guidelines, its investment plan with the Vanguard Group is permissible. The Committee does not anticipate making separate payments for management fees or expenses in connection with the Vanguard Group investments. Operating expenses for the fund are paid from the fund's gross returns before calculating the net investment return to individual shareholders. Thus, the operating expenses for the fund are reflected only in the share price; from the perspective of the shareholder, they are incurred on a pre-income basis and are not paid by the shareholder. The Commission concludes, in this situation, that the Committee does not have to report any allocable share of the operating expenses as an expenditure.

Date Issued: April 22, 1999; Length: 4 pages. ✦

Reconsideration of AO 1999-1

On April 29, the Commission declined to reconsider its decision in this advisory opinion. In February, the Commission concluded that

Mark Greene, a Texas resident planning to run for Congress in 2000, could not use campaign funds to pay himself a salary during the campaign. Such disbursements, the Commission said, would result in the conversion of campaign funds to personal use, which is prohibited by the Federal Election Campaign Act. See the April 1999 Record, p. 5. ❖

Advisory Opinion Requests

Advisory opinion requests are available for review and comment in the Public Records Office.

AOR 1999-12
Preemption of Pennsylvania statute governing solicitation of funds for charitable purposes when funds are used to influence federal elections (Campaign for Working Families, May 6, 1999; 14 pages plus 11-page attachment) ❖

Regulations

Commission Votes 3-3 on Express Advocacy Rulemaking

On April 29, the Commission declined to act on a petition for rulemaking on a portion of its regulations governing express advocacy. Commissioners deadlocked in a pair of 3-3 votes in the matter; at least four affirmative votes are required for the Commission to take action.

The petition sought to repeal 11 CFR 100.22(b), which defines express advocacy as any communication that, when taken as a whole and with limited reference to external events, can only be interpreted by a reasonable person as expressly advocating the election or defeat of a clearly identified candidate or group of candidates. It was filed by James Bopp, Jr., and the James Madison Center for Free Speech on behalf of the Virginia Society for Human Life.

The Commission voted 3-3 on two motions involving this petition. The first 3-3 vote decision came on a motion to adopt the Office of General Counsel's recommendation that the Commission decline to open a rulemaking in response to the petition. The second 3-3 vote was on a motion to direct the Office of General Counsel to open the requested rulemaking. Since neither motion received the affirmative vote of four Commissioners, no further action will be taken on the petition at this time.

The petition that spawned these votes is nearly identical to one filed in 1997, on behalf of the James Madison Center for Free Speech. There, the Commission declined to open a rulemaking by a 4-2 vote. See the April 1998 and December 1997 issues of the *Record.*

This latest petition came in response to the Commission's 3-3 vote decision on whether it should appeal the *Right to Life of Dutchess County v. FEC* decision. See the September 1998, July 1998 and June 1997 issues of the *Record*. The petitioner characterized the split vote regarding the appeal of this case as the Commission's abandonment of its regulations.

The Commission published a Notice of Disposition on this matter in the May 20, 1999, *Federal Register* (64 FR 27478). It is available from the following sources:

- FEC's Public Records Office at 800/424-9530 (press 3); and
- FEC Faxline at 202/501-3413 (request document 237). ❖

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., N.W.

Statistics

Candidates in '98: Final Statistics

Congressional candidates for the 1998 elections raised $781.3 million during the two-year election cycle that began on January 1, 1997, a $9.2 million decrease from the last election cycle in 1995-96. The '98 candidates spent $740.4 million, down $24.9 million from expenditures made in the previous election cycle.

In all, 2,100 candidates—270 Senate candidates and 1,830 House candidates—competed in the 1998 elections (excluding special elections).

Candidates for House seats raised $493.8 million and spent $452.5 million during the two-year cycle. House Republicans bested their Democratic counterparts, raising $255.8 million compared to the Democrats' $233.4 million. Republicans spent $237.2 million while Democrats spent $211.1 million. In addition, other-party House candidates raised $4.5 million during the '98 cycle and spent $4.2 million.

Senate candidates raised $287.6 million and spent $287.8 million, closely tracking their activity in 1995-96. Again, Republicans raised and spent more than Democrats, reporting $153 million in receipts and expenditures while the Democrats reported $134.1 million in receipts and $134.6 million in expenditures.

Contributions from individuals totaled $422.8 million, or 54 percent of the total funds raised by all Congressional candidates. Contributions from PACs, totaling $206.8 million, made up another 26 percent of receipts. In addition, candidates contributed or loaned their committees $107.2 million.

This article and the accompanying graph are based on data taken from an April 28 news release. The release, which covers the full cycle from January 1, 1997, through December 31, 1998, is available at the following places:

- FEC web site (http://www.fec.gov; select "News Releases and Media Advisories");
- FEC Public Records and Press offices (800/424-9530); and
- FEC Faxline (202/501-3413, document 610). ❖

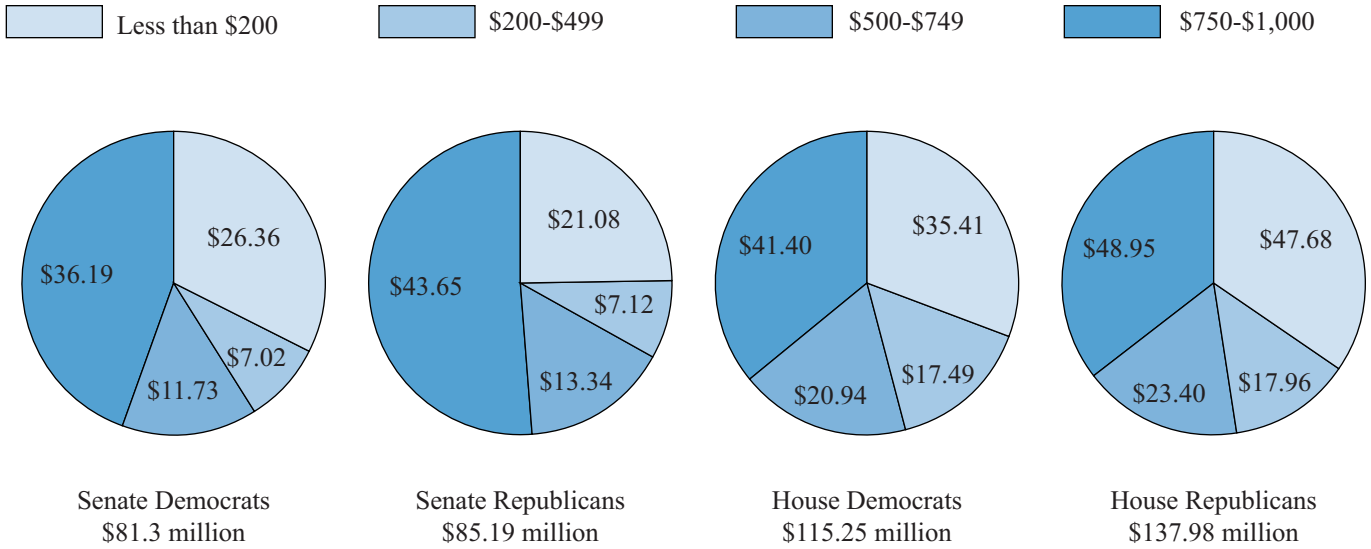
Republican Party Committees Maintain Fundraising, Spending Supremacy in 1998 Election Cycle

Hard Money (Federal Funds)

Republican party committees continued to raise and spend substantially more money than their Democratic counterparts during the two-year 1998 election cycle. Year-end reports filed with the Commission by these committees also showed overall declines in the amounts of coordinated expenditures and significant shifts in how the two major parties carried out coordinated expenditures. The state party committees—and the Democratic National Committee—took on the majority of such spending, while the House and Senate campaign committees did much less of it.

Between January 1, 1997, and December 31, 1998, Republican party committees reported federal receipts of $285 million and disbursements of $275.9 million. This represents a 17 percent increase in fundraising and a 19 percent increase in spending when compared

Receipts: Contributions From Individuals to 1997-98 House and Senate Candidates by Size of Contribution



to the same period in the last midterm election cycle (1993-94). For the same period, Democrats reported $160 million in receipts, a 20 percent increase from 1993-94, and $155.3 million in disbursements, an 18 percent increase from 1993-94.

Individuals continued to make up the biggest portion of party committee receipts. On the Republican side, $240.8 million, or 84 percent of committee receipts, came from contributions by individuals. Democratic committees reported that $111.5 million, or 70 percent of their receipts, came from individual contributors.

For the first time, Republicans surpassed Democrats in PAC receipts, garnering $21.4 million in PAC contributions, while the Democrats took in just $18.9 million from PACs. Republican committee PAC receipts jumped by $16.7 million over the 1993-94 election cycle, a 348 percent rise.

Republican committees contributed $2.6 million directly to candidates and spent $15.7 million in coordinated expenditures on behalf of candidates. Democratic committees contributed $1.2 million directly to candidates and made $18.6 million in coordinated expenditures. Coordinated expenditures are monies spent by national and state party committees on general election nominees in addition to direct contributions. Coordinated expenditures, like contributions, are limited in amount. While party and candidate committees can work together to decide how coordinated expenditures should be made, candidate committees do not receive the funds directly.

The Democrats also reported $1.5 million in independent expenditures, while the Republicans reported $263,646 for the same category.

Soft Money (Nonfederal Funds)

Reports also indicated large increases in soft money (nonfederal)

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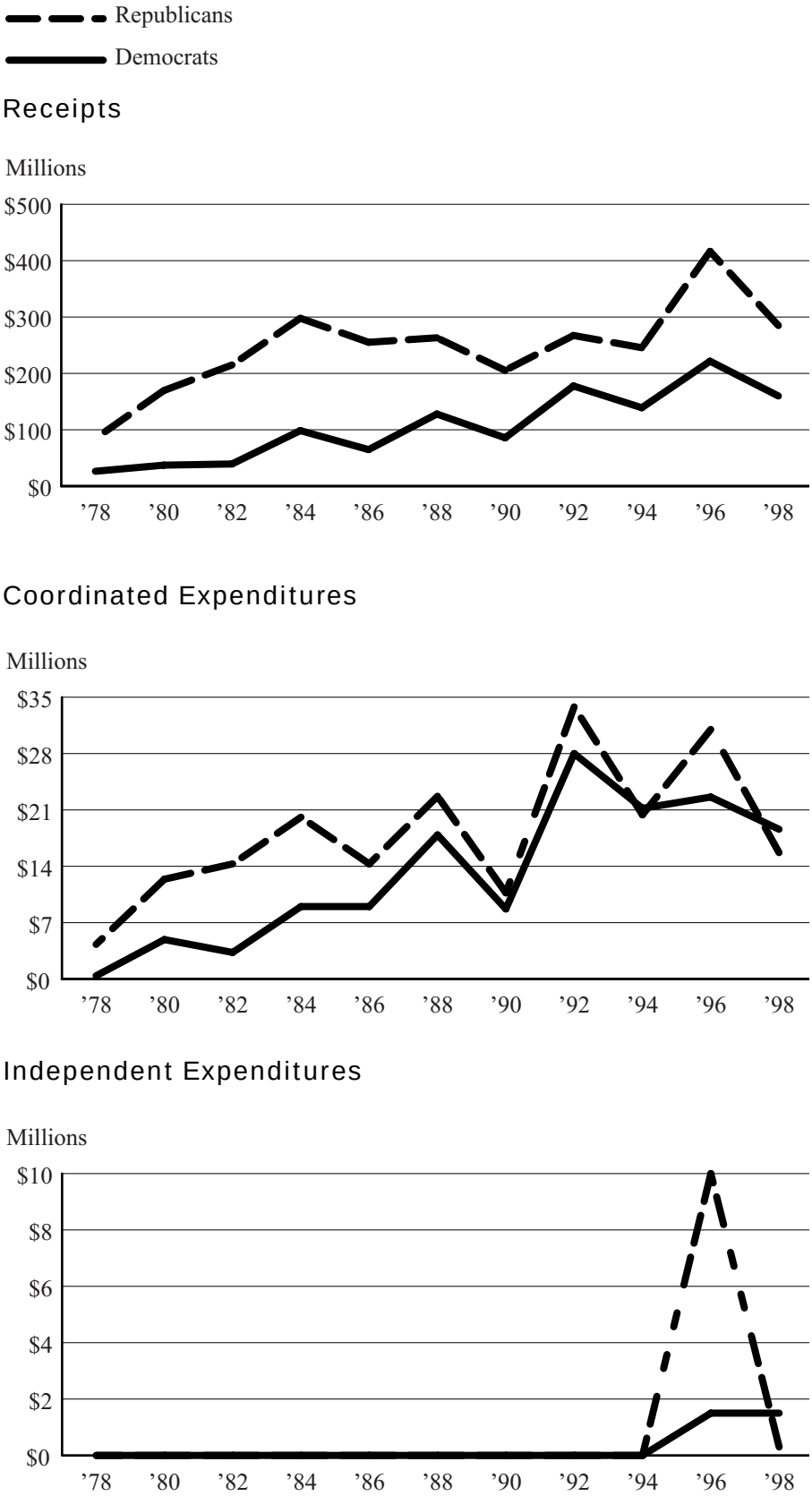
Party Committee Activity Over 20 Years



Statistics

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receipts when compared with the 1993-94 election cycle. Republican soft money accounts collected $131.6 million, a 151 percent increase, while Democrat soft money accounts collected $92.8 million, an 89 percent increase. Republicans disbursed $127.7 million of their soft money take, with $34.3 million transferred to state party committees, $11.1 million contributed to state and local candidates and $49.3 million spent on joint federal/nonfederal activities. Another $41 million was used for other expenses.

Democrats disbursed $93 million in soft money, with $34.8 million (almost the same amount as the Republican committees) transferred to state party committees, $3.8 million contributed to state and local candidates and $43.2 million spend on joint federal/nonfederal activities. The committees reported spending $18.2 million on other expenses.

This article and the accompanying graph are based on data taken from an April 9 news release.[1] The release is available at the following places:

- FEC web site (http://www.fec.gov; select "News Releases and Media Advisories");
- FEC Public Records and Press offices (800/424-9530); and
- FEC Faxline (202/501-3413, document 609). ❖

[1] *Incorrect data from two previous press releases regarding party committee financial activity during the 1997-1998 election cycle have been corrected in this latest press release. The two older press releases were the bases for articles in the December 1998 and March 1999 issues of the* Record.

Outreach

FEC Conducts Monthly Roundtable Sessions

The FEC is conducting monthly roundtable sessions for the regulated community at its offices in Washington. The roundtable sessions, limited to 12 participants per session, focus on a range of topics. See the table below for dates and topics.

Registration is $25 and will be accepted on a first-come, first-served basis. Please call the FEC before registering or sending money to be sure that openings remain in the session of your choice. Prepayment is required. The registration form is available at the FEC's web site (http://www.fec.gov) and from Faxline, the FEC's automated fax system (202/501-3413, request document 590). For more information, call 800/424-9530 (press 1) or 202/694-1100.

Individuals who have signed up for a roundtable but who will be unable to attend are strongly encouraged to call the FEC and cancel their registration so that the next person on the waiting list may attend in their place. ❖

Date	Subject	Intended Audience
June 2 9:30 -11 a.m.	**Candidate Reporting Basics** (Code #699)	• Candidate Committee Staff • Lawyers, Accountants and Consultants to Candidate Committees
July 7 9:30 -11 a.m. Filled! Waiting List Only	**Using Prizes or Entertainment to Raise SSF Funds** (Code #799)	• Corporate/Labor/Trade PAC Staff • Lawyers, Accountants and Consultants to PACs
August 4 9:30 -11 a.m.	**Corporate Mergers and Spin-Offs —Effect on the SSF** (Code #899)	• Corporate PAC Staff • Lawyers, Accountants and Consultants to Corporate PACs

Public Appearances

June 5	National Association of Former United States Attorneys Denver, CO Scott Thomas, Chairman
June 14	National Association of Business Political Action Committees Washington, DC Scott Thomas, Chairman Kevin Salley, Deputy Assistant Staff Director, Public Records Branch

FEC Conference Schedule

The FEC is sponsoring a series of conferences on campaign finance. See below for details. To register for any conference, call Sylvester Management at 800/246-7277 or send an e-mail to tsylvester@worldnet.att.net. For program information, call the FEC's Information Division at 800/424-9530 (press 1) or 202/694-1100. A regularly updated schedule for the conferences and a downloadable invitation/registration form appear at the FEC's web site. Go to http://www.fec.gov for the latest information.

Partnership Conference
Date: July 29, 1999
Location: Washington, DC
(Westin Hotel)
Registration: $230

Regional Conference (includes candidate, corporate/labor and party workshops)
Date: September 27-29, 1999
Location: Chicago, IL
(Fairmont Hotel)
Registration: $265

Regional Conference (includes candidate, corporate/labor and party workshops)
Date: November 15-17, 1999
Location: San Francisco
(Grand Hyatt)
Registration: To be determined

Candidate Conference
Date: February 2000
Location: Washington, DC
Registration: To be determined

Regional Conference (includes candidate, corporate/labor and party workshops)
Date: March 2000
Location: Miami, FL
Registration: To be determined

Corporate and Labor Conference
Date: May 2000
Location: Washington, DC
Registration: To be determined

Membership and Trade Association Conference
Date: June 2000
Location: Washington, DC
Registration: To be determined

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