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11736 -

(6)

PROVISIONS OF RULE REQUESTED BY THE COMMITTEE ON HOUSE ADMINISTRATION

(The numbers correspond to the numbers in the requested rule)

The following amendments would be in order under the requested rule.

Clauses 1 and 2.

Clause 1 would permit amendments recommended by the Committee on House Administration, but such amendments would not be subject to amendment. Clause 2 would permit en bloc consideration of amendments printed on page H2053 of the Congressional Record of March 17, 1976 by Representative Hays.

Purpose: Since this is a modified closed rule, without these provisions the Committee on House Administration would not have an opportunity to present necessary amendments. The amendments made in order by section 2 are a series of technical and conforming amendments.

Clause 3.

The requested rule would permit amendments to strike any section of the bill with the exception of those sections recodifying and redrafting provisions formerly contained in Title 18, United States Code.

Explanation: Any Member may move to strike any section of the bill except section 112, which begins on page 29, line 6 through page 46, line 14. This section includes such provisions as: limitations on individual contributions; increase of individual cash contributions, the anti-proliferation provisions; prohibition against corporate solicitation of contributions from other than executive officers; and the elimination of the requirement that candidates must file reports with the Secretary of State of the state in which they are candidates. (The first Frenzel amendment if made in order would retain this requirement. See ADDITIONAL REQUESTS: FRENZEL). It would also prohibit any amendments to strike any portion of Title II of the bill.

Clause 4.

The requested rule would permit the text of H. R. 11736 to be offered as an amendment in the nature of a substitute for H. R. 12406.

Explanation: H.R.11736 - the Frenzel-Mikva bill simply reconstitutes the FEC to comply with the requirements of the Supreme Court decision. The amendment would not be subject to amendment.

Clause 5.

The requested rule would make in order an amendment striking on page 18 line 17 after the word "commission" everything through line 25.

Explanation: This provisions relates to the power of the FEC to investigate the activities of staff employees of any Federal office holder without first consulting the person holding that office. Under the requested rule, it would be in order to move to strike that provision, thereby permitting FEC investivation of staff employees.

Clause 6.

The requested rule would permit en bloc consideration of motions to strike provisions of page 27, lines 7 through 21, and section 304 of the bill.

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Explanation: These provisions of the bill relate to the Congressional disapproval of FEC rules and regulations. By striking these provisions the Congress would not be entitled to veto a part of a proposed rule or regulation, and the motion to consider a resolution of disapproval would not be privileged. The consideration of such a resolution would thus be subject to the regular rules of procedure.

Clause 7.

The requested rule would permit an amendment on page 45, line 2, imposing a criminal penalty of imprisonment for not more than 1 year in addition to the financial penalties already provided.

Explanation: The bill increases the amount of individual cash contributions from the present level of \$100 to \$250. A knowing and willful violation would subject the individual to a fine of \$25,000 or 300 percent of the cash contribution whichever is greater. The amendment made in order would also permit the imposition of a prison sentence for cash contributions in excess of the amount permitted.

Clause 8.

The requested rule would permit an amendment on page 44, line 21, to strike the figure \$250 and insert \$100.

Explanation: This figure relates to the cash contributions by individuals. The bill proposes to increase this amount, the amendment would reinsert the limitation now contained in existing law.

Clause 9.

The requested rule would permit an amendment to strike the figure "\$5,000" on page 45, line 19, and insert in lieu thereof the figure "\$2,500".

Explanation: Under the bill, any willful violation of any provisions of the Act which involves the making, receiving, or reporting of any contribution or expenditure having a value, in the aggregate, of \$5,000 would be subject to a fine and imprisonment. Under the existing law, the figure is \$1,000. The amendment made in order would reduce the figure in the bill to \$2,500. (NOTE: A request has been made to amend the requested rule to strike \$2,500 and insert \$1,000. See ADDITIONAL REQUESTS: FRENZEL)

Clause 10.

The requested rule would permit an amendment (text designated) which would strike out everything after the comma on page 39, lines 6 through 15, and insert the text contained in the requested rule.

Explanation: The portion of the bill to which this amendment applies (which begins on page 37, line 20) contains a prohibition on contributions or expenditures by national banks, corporations or labor organizations but contains certain exceptions. The amendment made in order under the requested rule restates those exceptions, thereby permitting certain contributions or section 304 (which requires reports) of the Act. OPTION: Upon review of the bill and the text of the amendment it appears that a more concise way of describing the amendment is as follows:

- (10) on page 39, line 9 after the word "subject" strike the semi-colons and insert the following:", except that expenditures for any such communication on behalf of a clearly identified candidate must be reported with the Commission in accordance with section 304(e) of the Act;" and on line 12 after the word "families" strike the semi-colon and insert the following: ", except that expenditures for any such campaigns must be reported with the Commission pursuant to section 304(e) of the Act;" (which amendment shall not be subject to amendment.)

Clause 11.

The requested rule would make in order the consideration of the bill H.R. 12728 which was introduced on March 23, 1976, by Mr. Burton and according to his testimony incorporates the Wirth amendments. All points of order would be waived against this amendment and it would not be subject to amendment. The amendment would insert additional section in title III of the bill.

Explanation: As explained by Mr. Burton, this amendment would permit public financing of Congressional elections.

RULES COMMITTEE OPTIONS:

The Rules Committee may adopt any of the following options:

1. Agree to the request of House Administration.
2. Agree to the request but also make in order (as a substitute) the Solarz amendment which would extend public financing to primaries as well as to general elections, but prohibit any further amendments.
3. Agree to the request but allow additional amendments, and permit or prohibit Solarz.
4. Make in order the text of the bill H.R. 9100 with or without further amendments and permit or prohibit Solarz.

NOTE: The amendments to provide public financing of elections are drafted as amendments to the Internal Revenue Code. The extent to which the entire code would be open to amendment if the amendments themselves are open to amendment should be considered. It would appear that if the Burton bill or an alternative is open for amendment the provisions of title III which also relate to campaign financing and are amendments to the Internal Revenue Code would be open to amendment as well. House Administration would oppose this on the theory that any amendments to title III would require additional amendments to other provisions of the bill.

NOTE FURTHER: Following each clause in the requested rule is the phrase "which amendment shall not be subject to amendment." The Committee may open any amendment to amendment by striking that phrase from the clause.

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*Open Rule -
Modified Closed Rule*



9C

FRENZEL # one(1)

An amendment striking out the word "by" on line 7,
page 29 and all of line 8.

FRENZEL # two (2)

On page 45, line 19, strike out "\$5,000" insert in lieu
thereof "\$1,000".

910

AMENDMENT BY MR. LONG OF LOUISIANA:

In the proposed rule, insert after number (4) the following provision and renumber the remaining paragraphs accordingly:

(5) On page 17, line 4 after the word "opinion" insert "of general applicability" and on page 17, line 9 strike all after the word "Commission." through line 14, (which amendment shall not be subject to amendment).

Explanation:

Would allow the FEC to answer individual specific inquiries that are not of a general nature without the delay of submitting said advisory opinion to the Congress as a proposed regulation. Rationale: The delay caused by submission to Congress could make the answer come too late.

Amendment to H. R. 12406, As Reported

Offered by Mr. Solarz

91E

Page 57, immediately after line 19, insert the following new section:

Congressional Election Campaign Fund

Sec. 308. (a) Subtitle H of the Internal Revenue Code of 1954, relating to financing of Presidential election campaigns, is amended by adding at the end thereof the following new chapter:

CHAPTER 97—CONGRESSIONAL
ELECTION CAMPAIGN FUND

- *Sec. 9051. Short title.
- *Sec. 9052. Definitions.
- *Sec. 9053. Eligibility for payments.
- *Sec. 9054. Entitlement to payments.
- *Sec. 9055. General limitations.
- *Sec. 9056. Certification by Commission.
- *Sec. 9057. Payments to eligible candidates.
- *Sec. 9058. Examination and audits; repayments.
- *Sec. 9059. Reports to Congress; regulations.
- *Sec. 9060. Participation by Commission in judicial proceedings.
- *Sec. 9061. Judicial review.
- *Sec. 9062. Criminal penalties.

*SEC. 9051. SHORT TITLE.

"This chapter may be cited as the 'Congressional Election Campaign Fund Act'.



"SEC. 9052. DEFINITIONS.

"For purposes of this chapter—

"(1) The term 'authorized committee' means, with respect to a candidate for Federal office, any political committee which is authorized in writing by such candidate to incur expenses to further the nomination for election or election of such candidate. The authorization shall be addressed to the treasurer of such political committee, and a copy of the authorization shall be filed by such candidate with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office. For purposes of this paragraph, an individual is considered to seek election if he (A) takes the action necessary under the law of a State to qualify for election; and (B) receives contributions or incurs qualified campaign expenses, or gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.



“(3) The term ‘Commission’ means the Federal Election Commission established by section 309 (a) (1) of the Federal Election Campaign Act of 1971.

“(4) The term ‘contribution’ means a gift of money made (A) by a written instrument which identifies the person making the contribution by full name; or (B) in cash up to \$100, except that the candidate and his authorized committees shall maintain and file reports in the form prescribed by the Commission, which show the date and amount of each such contribution and the full name and mailing address of the person making such contribution. Such term does not include a subscription, loan, advance, or deposit of money, or a contribution of products or services or anything else of value (other than money).”

“(5) The term ‘eligible candidate’ means a candidate for election to Federal office who is eligible under section 9053 to receive payments under this chapter.



"(6) The term 'Federal office' means the office of Senator or Representative;

"(7) The term 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to Federal office.

"(8) The term 'primary election' includes any convention or caucus of a political party which has authority to nominate a candidate for election to Federal office.

"(9) The term 'major party' means, with respect to election for Federal office, a political party whose candidate for election in the preceding general election for that office received as the candidate of that party, 25 percentum or more of the total number of votes cast in that election for all candidates for that office.

"(10) The term 'official political party committee' means a political committee organized by the House or Senate Members of any political party having more than 5 percent of the membership of either the House of Representatives or Senate of the United States and designated as an official political party committee by the appropriate House or Senate caucus of the political party.

"(11) The term 'qualified campaign expenses' means only those expenses incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, or for election, to Federal office which are for the use of --



“(A) broadcasting stations to the extent that they represent direct charges for air time;

“(B) newspapers, magazines, and outdoor advertising facilities to the extent that they represent direct charges for advertising space;

“(C) direct mailings;

“(D) telephones to the extent that they represent lease and use charges for equipment, and telegrams;

“(E) rental of campaign headquarters, except that such term does not include funds used to pay rent to the candidate, a member of the immediate family of the candidate, or a business entity 10 percent or more of the assets of which is owned or controlled by the candidate or members of the immediate family of the candidate; and

“(F) brochures, buttons, signs, and other printed campaign material;

except that such term shall not include any payment which constitutes a violation of any law of the United States. For purposes of this paragraph, an expense is



incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or committee.

"(12) The term 'Representative' means a Member of the House of Representatives, the Delegates from the District of Columbia, Guam, and the Virgin Islands, and the Resident Commissioner from Puerto Rico.

"(13) The term 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

"(14) The term 'voting age population' means the voting age population certified under section 320(e) of the Federal Election Campaign Act of 1971.

"(15) The term 'Secretary' means the Secretary of the Treasury.

"(16) The term 'Account' means the Congressional Election Payment Account.

"SEC. 9053. ELIGIBILITY FOR PAYMENTS.

"(a) (1) Primary Elections. -- Any candidate in a major party primary election for Federal office shall be eligible for payments under section 9057 upon certifying to the Commission that --

"(A) such candidate has received contributions in an amount equal to 12 percent of the applicable expenditure limitation for the primary election involved under section 9055

of the Federal Election Campaign Act of 1971.

"(B) the aggregate of contributions certified to any person under paragraph (1) does not exceed \$100.



"(a) (2) To be eligible to receive any payments under section 9057 for use in connection with his/her general election campaign, a candidate shall certify to the Commission --

"(A) that the candidate is the nominee of a political party for election to Federal office of Representative or is otherwise qualified on the ballot as a candidate in the general election for such office and the candidate and his/her authorized committees have received contributions in connection with that campaign which, in the aggregate, exceed \$5,000; or

"(B) that the candidate is the nominee of a political party for election to the Federal office of Senator or is otherwise qualified on the ballot as a candidate in the general election for such office and the candidate and his/her authorized committees have received contributions in connection with that campaign which, in the aggregate, exceed 10 percent of the amount he/she may spend in the general election under section 608(c) of title 18 of the United States Code; and

"(C) that the candidate and his/her authorized committees will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9054; and

"(D) that the candidate is seeking election to a specific Federal office.

"(a) (3) To be eligible to receive any payments under section 9057 an official political party committee shall certify to the Commission its status as an official political party committee within the meaning of section 9052.

"(b) In determining the amount of contributions received for purposes of subsection (a) and of section 9054 --



"(A) no contribution from any person to a candidate or his/her authorized committees shall be taken into account to the extent that it exceeds \$100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his/her general election campaign;

"(B) no contribution from any person to an official political party committee shall be taken into account to the extent that it exceeds \$100 when added to the amount of all other contributions made by that person to all official political party committees of the same political party during the same calendar year;

"(C) no contribution from any person to a candidate or his/her authorized committees shall be taken into account unless it is dated and received during the matching payment period;

"(D) no contribution from any official political party committee to a candidate or his/her authorized committees shall be taken into account.

"(c) SEPARATE CONTRIBUTION ACCOUNTS.

For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsection (a) and section 9054(a), each candidate shall establish a separate account for all such contributions to be used in connection with a primary election and a separate account for all such contributions to be used in connection with a general election. Contributions deposited in any such separate account shall not be contributions for purposes of subsection (a) and section 9054(a) if such contributions are used for any purpose other than as expenditures in connection with the campaign for nomination



for election, or for election, of the candidate.

"SEC. 9054. ENTITLEMENT TO PAYMENTS.

"(a) In General. -- Every candidate who is eligible to receive payments under section 9053 in connection with his campaign for nomination for election, or for election, to Federal office, is entitled to payments under section 9057 in an amount equal to the aggregate contributions received by such candidate in connection with any such campaign, except that the total amounts of payments to which a candidate is entitled under this subsection may not exceed 50 percent of the sum of the expenditure limitation applicable to such candidate for the specific campaign under section 9055 plus the fundraising allowance provided in section 9055.

"(b) LIMITATION.—A candidate may receive payments under subsection (a) in connection with a contribution to such candidate from any person only to the extent that the aggregate contributions from such person during the matching payment period do not exceed \$100.

"SEC. 9055. GENERAL LIMITATIONS.

"(a) QUALIFIED CAMPAIGN EXPENSES.—Funds received by a candidate or his authorized committees under this chapter shall be used only for qualified campaign expenses incurred during the matching payment period.



"(b) Payments in Primary Election or General Election.--

No candidate or his authorized committees shall be entitled to receive any funds under section 9054 in connection with a primary election or general election until the candidate and at least one opponent are participating in the primary election involved or have qualified for the ballot under State law as candidates for the general election involved.

"(c) DEPOSIT OF PAYMENTS.—All payments received under this chapter shall be deposited at a national or State bank in a separate checking account which contains only those funds received under this chapter. No expenditures of any payments received under this chapter shall be made except by checks drawn on such separate checking account at a national or State bank. The Commission may require such reports on the expenditures of such funds as it deems appropriate.

"(d) DISTRIBUTIONS.—The Secretary or his delegate shall make distribution of the funds provided under section 9054 (a) in the same sequence in which the initial and subsequent certifications are received pursuant to section 9056.



"(e) (1) No candidate for the nomination of a major party for the office ^{of} Representative or Senator who receives payments from the Secretary of the Treasury or his delegate under section 9057 may make expenditures in excess of --

"(A) in the case of any campaign for nomination for election by a candidate for the office of Senator or a candidate for the office of Representative from a state which is entitled to only one representative, the greater of--

(i) 10 cents multiplied by the voting age population of the State (as certified under section 320(e)); or

(2) \$125,000;

"(B) \$70,000, in the case of any campaign for nomination for election by a candidate for the office of Representative in any other state, Delegate from the District of Columbia or Resident Commissioner;

"(C) \$15,000, in the case of any campaign for nomination for election by a candidate for the office of Delegate from Guam or the Virgin Islands.

"(e) (2) No candidate for the office of Representative or Senator who receives payments from the Secretary of the Treasury or his delegate under section 9057 may make expenditures in excess of --

"(A) in the case of any campaign for general election by a candidate for the office of Senator or by a candidate for the office of Representative from a state which is entitled to only one Representative, the greater of

"(i) twelve cents multiplied by the voting age population of the state (as certified under section 320(e)); or

"(ii) one hundred fifty thousand dollars;



"(B) seventy thousand dollars, in the case of any campaign for general election by a candidate for the office of Representative in any other State, Delegate from the District of Columbia or Resident Commissioner; or

"(C) fifteen thousand dollars, in the case of any campaign for general election by a candidate for the office of Delegate from Guam or the Virgin Islands.

"(e) (3) For purposes of this subsection --

"(A) an expenditure is made on behalf of a candidate if it is made by --

"(i) an authorized committee or any agent of the candidate for the purposes of making any expenditure; or

"(ii) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

"(B) expenditure does not include any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limits set forth in paragraph (1) of this subsection.

"(C) (i) at the beginning of each calendar year (commencing in 1976) as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the per centum difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established in paragraph (1) shall be increased by such per centum difference. Each amount so increased shall be the amount

in effect for such calendar year.

"(ii) For purposes of paragraph (1) --

"(I) the term 'price index' means the average over a calendar year of the Consumer Price Index (all items -- United States city average) published monthly by the Bureau of Labor Statistics; and

"(II) the term 'base period' means calendar year 1974.

"(f) (1) No candidate for the office of Representative or Senator who receives payments from the Secretary of the Treasury or his delegate under section 9057 may make expenditures from his/her personal funds, or the personal funds of his/her immediate family in the case of any campaign for general election in excess of, in the aggregate --

"(A) \$35,000 in the case of a candidate for the office of Senator or for the office of Representative from a State which is entitled to only one Representative; or

"(B) \$25,000 in the case of a candidate for the office of Representative.

"(2) For purposes of this subsection, 'immediate family' means a candidate's spouse and any child, parent, grandparent, brother or sister of the candidate, and the spouses of such persons.

"(3) No candidate or his/her immediate family may make loans or advances from their personal funds in connection with his/her campaign for general election unless such loan or advance is evidenced by a written instrument fully disclosing the terms and conditions of such loan or advance.

"(4) For purposes of this subsection, any such loans or advance shall be included in computing the total amount of such expenditure only to the extent of the balance of such loan or advance outstanding or unpaid.

"(g) No official political party committee which receives funds under this chapter shall use those funds except for purposes of making campaign contributions to a candidate for Federal office for use in the candidate's general election campaign.

"(h) Notwithstanding any other provision of this chapter, no amount more than the sum of the allowable expenditure limit for a candidate in a given general election race under section 608(c) and the additional fundraising allowance provided in section 591(f) (4) (H) of title 18, United States Code, shall be paid under this chapter to all eligible candidates in that given election.

"SEC. 9056. CERTIFICATION BY COMMISSION.

"(a) INITIAL CERTIFICATION.—Not later than 10 days after a candidate establishes his eligibility under section 9053 to receive payments under section 9057, the Commission shall certify to the Secretary for payment to such candidate under section 9057 payment in full of amounts to which such candidate is entitled under section 9054. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9057.

"(b) FINALITY OF DETERMINATIONS.—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter, are final and conclusive, except to the extent they are subject to examination and audit by the Commission under section 9058 and judicial review under section 9060.



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“(c) LIMITATION.—The Commission shall, not later than February 1 of each election year, determine whether the amount of moneys in the Account will be sufficient to make all payments to which candidates will be entitled under this chapter during such election year. If the Commission determines the amount of moneys in the Account will not be sufficient, the Commission shall ratably reduce the maximum amounts to which candidates are entitled under this chapter by a fraction, the numerator of which shall be the sum of moneys then on deposit in the Account and moneys estimated to be deposited in the Account before the first primary election with respect to which a candidate will be eligible for payments under section 9057, and the denominator of which shall be the sum of the estimated amounts to which all candidates would be entitled under this chapter if the moneys in the Account were sufficient. If the Commission subsequently determines that additional moneys are available for payments under this chapter during such election year, such payments as may have been reduced in accordance with the preceding sentence shall be increased on the same basis as they were reduced.



"SEC. 9057. PAYMENTS TO ELIGIBLE CANDIDATES.

"(a) ESTABLISHMENT OF ACCOUNT.—The Secretary shall maintain in the Presidential Election Campaign Fund established under section 9006 (a), in addition to any account which he maintains under such section and section 9037, a separate account to be known as the Congressional Election Payment Account. The Secretary shall deposit into the Account, for use by candidates who are eligible to receive payments under section 9053, the amount available after the Secretary determines that adequate amounts are available for payments under sections 9006 (c), 9008 (b) (3), and 9037 (b).

"(b) DEPOSITS.—Notwithstanding subsection (a), the Secretary shall deposit into the Account that portion of the annual amounts designated by taxpayers under section 6096 which is equal to the excess over ²⁵~~30~~ percent of the total amount made available in the last election for the office of President in allocating funds under section 9006. The money in the Account shall remain available without fiscal year limitation.



"(c) PAYMENTS FROM THE ACCOUNT.—Upon receipt of a certification from the Commission under section 9056, the Secretary or his delegate shall, within 10 days after receiving such certification, transfer the amount certified by the Commission from the Account to the candidate. The Secretary shall make distribution of the funds available under subsection (a) in the same sequence in which the initial and subsequent certifications are received under section 9056.

"SEC. 9038. EXAMINATION AND AUDITS; REPAYMENTS.

"(a) EXAMINATION AND AUDITS.—After each general election, the Commission is authorized to conduct an examination and audit of the campaign contributions raised for purposes of obtaining matching funds with respect to primary elections and with respect to general elections and the qualified campaign expenditures made by all candidates for Federal office and official political party committees who received payments under this chapter.

"(b) Repayments. --

"(1) If the Commission determines that any portion of the payments made to an eligible candidate with respect to a primary election or with respect to a general election or to an official party committee with respect to a general election under section 9057 was in excess of the aggregate amount of the



payments to which the candidate was entitled, it shall so notify the recipient, and the recipient shall pay to the Secretary an amount equal to the excess amount.

"(2) If the Commission determines that any portion of the payments made to a candidate under section 9057 for use in a primary election campaign or a general election campaign was used for any purpose other than for qualified campaign expenses in connection with any such campaign, the Commission shall so notify the candidate and the candidate shall pay an amount equal to 300 percent of that amount to the Secretary.

"(3) If the Commission determines that any portion of the payments made to an official political party committee under section 9057 was used for any purpose other than to make campaign contributions to congressional candidates for use in the general election, the Commission shall so notify the official political party committee and the official political party committee shall pay an amount equal to three times that amount to the Secretary.

"(4) Amounts received by a candidate under this chapter may be retained for 60 days after the primary election or the general election involved for the purpose of liquidating all obligations to pay qualified campaign expenses which were incurred



during the matching payment period. After the 60-day period following the election, all remaining Federal funds not yet expended on qualified campaign expenses shall be promptly repaid by the candidate to the Account.

“(4) If any candidate who has received funds under this chapter is convicted of violating any provision of this chapter, the candidate shall pay to the Secretary the full amount received under this chapter.

“(c) PERIOD OF NOTIFICATION.—No notification shall be made by the Commission under subsection (b) with respect to a campaign more than 2 years after the day of the election to which the campaign related.

“(d) DEPOSIT OF PAYMENTS.—All payments received by the Secretary under subsection (b) shall be deposited by him in the Account.

“SEC. 9059. REPORTS TO CONGRESS; REGULATIONS.

“(a) REPORT.—The Commission shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

“(1) the qualified campaign expenses (shown in the detail the Commission deems necessary) incurred by a candidate who received payments under section 9057, and by his authorized committees;



"(2) the amounts certified by it under section 9056 for payment to each candidate and his authorized committees; and

"(3) the amount of payments, if any required from such candidate or official party committee under section 9058, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a House or Senate document and made available in sufficient numbers for the general public.

"(b) REGULATIONS.—

"(1) The Commission may prescribe regulations to carry out the provisions of this chapter. The Commission, before prescribing any such regulation, shall transmit a statement with respect to such regulation to the Senate and to the House of Representatives in accordance with the provisions of this subsection. Such statement shall set forth the proposed regulation and shall contain an explanation and justification of such regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed regulation set forth in such statement no later than 30 legislative days after the receipt of such statement, then the Commission may prescribe such regulation. The Commission may not



prescribe any such regulation which is disapproved by either such House under this paragraph.

“(3) For purposes of this subsection, the term ‘legislative days’ does not include any calendar day on which both Houses of the Congress are not in session.

“SEC. 9060. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

“(a) APPEARANCE BY COUNSEL.—The Commission may appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title.

“(b) RECOVERY OF CERTAIN PAYMENTS.—The Commission may, through attorneys and counsel described in subsection (a), institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made under section 9058.

“(c) INJUNCTIVE RELIEF.—The Commission may through attorneys and counsel described in subsection (a), petition the courts of the United States for such injunctive



relief as is appropriate to implement any provision of this chapter.

“(d) APPEAL.—The Commission may on behalf of the United States appeal from, and petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

“SEC. 9061. JUDICIAL REVIEW.

“(a) REVIEW OF AGENCY ACTION BY THE COMMISSION.—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

“(b) REVIEW PROCEDURES.—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 (13) of title 5, United States Code, by the Commission.

“SEC. 9062. UNLAWFUL USE OF PAYMENTS

“(a) UNLAWFUL USE OF PAYMENTS.—It shall be unlawful for any person who receives payment under this chapter or to whom any portion of such payment is transferred, knowingly and willfully to use, or authorize the use



of, such payment or such portion for any purpose other than for the specific purposes authorized by this chapter.

"SEC. 9063 FALSE STATEMENTS

It shall be unlawful for any person knowingly and willfully with intent to deceive to (1) furnish any false, fictitious, or fraudulent evidence, books, or sworn material testimony to the Commission under this chapter; or (2) include in any evidence, books, or information so furnished by misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under section 9058.

"SEC. 9064 KICKBACKS AND ILLEGAL PAYMENTS

It shall be unlawful for any person knowingly and willfully to give or accept any kickback or make any illegal payment in connection with any payments received under this chapter or in connection with any expenditures of payments received under this chapter.

"SEC. 9065 PENALTY FOR VIOLATIONS

Any knowing and willful violation of any provision of this chapter is punishable by a fine of not more than \$25,000, or imprisonment for not more than one year, or both."

(1) The analysis of subtitles at the beginning of the Internal Revenue Code of 1954 is amended by striking out the item relating to subtitle II and inserting in lieu thereof the following new item:



"Subtitle H. Financing of Federal election campaigns."

(2) The heading for subtitle H of the Internal Revenue Code of 1954 is amended to read as follows:

"Subtitle H—Financing of Federal Election Campaigns".

(3) The analysis of chapters at the beginning of subtitle H of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Chapter 97. Congressional election campaign fund."

(c)(1) The amendments made by the foregoing provisions of this section shall apply to any election for Federal office held after the close of December 31, 1976.

(2) For purposes of this subsection, the terms "election" and "Federal office" have the meanings given them by section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

And redesignate the following section accordingly.



1976 → 1978

WIRTH AMENDMENT

Effective Date

The Burton amendment would take effect upon enactment, enabling Congressional candidates to seek matching funds for this November's election.

The Wirth amendment would push back the effective date until after the 1976 Congressional election. There are several reasons why this is desirable:

1. As a matter of public policy, not to mention good political sense, Congress should not vote itself massive campaign assistance.
2. It is doubtful that the Federal Election Commission would be prepared to dispense funds to Congressional candidates and do the necessary bookkeeping and accounting on such short notice. Having the public financing of Congressional campaigns take effect upon enactment would be an administrative nightmare.
3. The money that is now in the Presidential Election Campaign Fund was not intended to be used to subsidize Congressional candidates. Taxpayers who checked off the Presidential box on their 1972, 1973, 1974, and 1975 tax forms did so with the understanding that their money was to be used solely to finance the Presidential primaries and election.



#5,000 → 10%

WIRTH AMENDMENT

Eligibility Threshold

The Burton amendment would allow any qualified candidate for the House who raises \$5,000 and satisfies other eligibility requirements to obtain matching funds. (No provision is made for inflationary impacts so each year this threshold would be easier to meet.) The Burton amendment would allow any qualified candidate for the Senate who raises 10% of the amount he may spend in the general election to obtain matching funds.

The amendment sets an eligibility threshold for House candidates of 10% of the amount that may be spent in the general election. This puts the threshold for House candidates in conformity with the threshold for Senate candidates that is already contained in the Burton amendment and alleviates the problem of inflationary impacts since the spending limits is subject to a cost-of-living escalator.

A 10% threshold would assure that only credible candidates with significant support will be entitled to public money.



June 1

Jan 1

WIRTH AMENDMENT

Matching Payment Period

The Burton amendment provides that the "matching payment period" begins on June 1 of each general election year. This ties the hands of a candidate who wants to seek matching funds by preventing him from doing any fund-raising until 5 months before the general election. It makes it especially hard for a challenger to mount an effort to unseat an incumbent. It might also discourage some candidates from seeking matching funds and thereby reduce the number of candidates who would otherwise abide by the spending limit.

The amendment provides that the matching payment would begin January 1 of the election year. This would encourage candidates to go the public financing route and make it easier for all candidates to raise money.



H.R. 12406 Federal Election Campaign Act Amendments of 1976

Purpose: The purpose of H.R. 12406 is to reconstitute the Federal Election Commission in order to comply with the decision of the U.S. Supreme Court in Buckley v. Valeo, decided January 30, 1976. In addition this bill makes numerous changes in the existing law.

Major Provisions: In order to comply with the Buckley v. Valeo decision, H.R. 12406 modifies the present law to provide that the six full members of the Federal Election Commission be appointed by the President with the advice and consent of the Senate. The Secretary of the Senate and the Clerk of the House of Representatives are to serve on an ex-officio basis and without the right to vote.

H.R. 12406 provides that the Commission shall initiate investigations, bring judicial actions, and take other steps of comparable importance only upon the affirmative vote of four of its six voting members.

The bill also provides that when the Commission issues an advisory opinion it shall reduce that opinion to a regulation subject to congressional veto. Either House may veto such a regulation or any part of it. According to the committee report, it is the intent of the committee that the advisory opinions and regulations shall be the only means through which the Commission may establish guidelines and procedures for carrying out this Act.

The bill provides that corporations may solicit voluntary political contributions from their executive officers and stockholders. However corporations may not solicit voluntary political contributions from their employees. Unions, on the other hand, may solicit voluntary political contributions from their members. The bill also provides that where a corporation is in fact using a particular method of soliciting voluntary contributions, such as the check-off, the corporation must upon request make that means available to unions representing employees of that corporation or to union member employees.

According to the committee report, section 307 of the bill, which requires the return of Federal matching payments by candidates who withdraw from a Presidential campaign, is intended to provide that a candidate will remain eligible for Federal payments only so long as he maintains a good faith, multistate campaign for nomination or for election to the office of President.

Among the numerous other provisions in the bill are provisions increasing the amount of cash contributions which are allowed from \$100 to \$250, and provisions limiting jail penalties to knowing and willful violations involving an amount in excess of \$5,000.

Cost: There is no cost estimate in the committee report. This situation could be corrected by the House Administration Committee filing a supplemental report or by a waiver in the rule.

Departmental Letters: There are no departmental letters in the committee report.

Minority Views: Supplemental views were filed by Mr. Cleveland stating that while he is in sympathy with some of the thoughts in the minority views, he has not signed them. He believes that some of the items to which the minority objects can probably be taken care of by the amendment process on the Floor of the House or in conference.

Minority views were filed by Members Wiggins, Holt, Frenzel, Dickinson, Devine, Burke of Florida and Moore opposing this bill, and concluding that the Federal Election Commission should simply be reconstituted. They object to this bill because it is a major revision of the election law in an election year, a situation analogous to changing the rules in a baseball game in the third inning. They object that the bill destroys the independence of the Federal Election Commission, by giving Congress veto power over all advisory opinions. They also object that the legislation is slanted toward incumbent office holders, and that the legislation is so complex as to discourage many public spirited citizens from running for office.

Additional views were filed by Members Devine and Dickinson opposing the concept of public financing of campaigns and questioning the constitutionality of the provision allowing Congress to veto advisory opinions.

Separate views were filed by the same two members, Mr. Dickinson and Mr. Devine objecting that many people, when confronted with the complexity of this legislation, may become overwhelmed and give up politics in disgust.

Supplemental views were filed by Mr. Frenzel, concluding that a simple reconstitution of the Federal Election Commission is the proper course. He objects that this bill is a sweeping revision of the election law, on which no hearings were held. He states that the FEC is reduced to being almost a subcommittee of the House Administration Committee.

Supplemental views were filed by Mr. Moore opposing the bill for the reasons cited in the minority views. He also objects strongly to the provision which allows unions to solicit political contributions from their members, but does not allow corporations to solicit political contributions from their employees.

Committee Vote: The Committee on House Administration reported the bill by a vote of 15 to 9.

Rule Request: The Committee on House Administration has requested a rule providing for two hours of general debate. No amendments are to be allowed except for the amendments listed in the proposed text of the rule, which is attached.

Administration Position: The President vetoed similar legislation last session. President Ford has indicated he would veto H.R. 9725 in its present form. The bill does not contain significant substantial changes from HR 25 as vetoed May 20, 1975, despite claims in the committee report to the contrary.

Critical problems with HR 9725 include: causing unacceptable job, production, and reserve losses; increasing costs of production; increasing the quantity and thus maintaining the price of foreign oil; superseding current State laws and regulation with Federal law and a cumbersome Federal bureaucracy; placing unnecessary and excessive taxes on coal; permitting States to ban surface mining of Federal Coal; permitting private landowners to ban the mining of Federal coal; and reclaiming private lands mined before State laws required reclamation, yet leaving title with the private landowners. The bill has ambiguous and vague provisions that would lead to years of regulatory delays, litigation and uncertainty.

The bill is not in the best interest of achieving either environmental or energy objectives.

WDC:llw
March 22, 1976

That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 12406) After general debate, which shall be confined to the bill and shall continue not to exceed 2 hour(s), to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be considered as having been read for amendment. No amendment, including any amendment in the nature of a substitute for said bill, shall be in order to the bill in the Committee of the Whole or in the House except the following: (1) amendments recommended by the Committee on House Administration (which amendments shall not be subject to amendment); (2) the amendments printed on page H2053 of the Congressional Record of March 17, 1976 by Representative Hays of Ohio (which amendments shall be considered en bloc and shall not be subject to amendment); (3) amendments striking out any section of the bill other than the sections recodifying and redrafting provisions formerly contained in Title 18, United States Code (which amendments shall not be subject to amendment); (4) the text of the bill H.R. 11736 if offered as an amendment in the nature of a substitute for H.R. 12406 (which amendment shall not be subject to amendment; (5) an amendment striking out the provisions on page 18 of the bill after the word "Commission." on line 17 through line 25 (which amendment shall not be subject to amendment); (6) amendments en bloc striking out the provisions on page 27, lines 7 through 21 and striking out section 304 of the bill (which amendment shall not be subject to amendment); (7) an amendment striking out the period on Page 45, line 2 and inserting in lieu thereof ", imprisonment for not more than 1 year, or both." (which amendment shall not be subject to amendment); (8) an amendment striking out the figure "\$250" on page 44, line 21 and inserting in lieu thereof "\$100" (which amendment shall not be subject to amendment); (9) an amendment striking out the figure "\$5,000" on page 45, line 19 and inserting in lieu thereof "\$2,500" (which amendment shall not be subject to amendment); (10) an amendment striking out everything after the comma on page 39, line 6 through line 15 and inserting the following provisions:

"but shall not include ----

(1) communications by a corporation to its stockholders and executive officers and their families or by a labor organization to



its members and their families on any subject, except that expenditures for any such communication on behalf of a clearly identified candidate must be reported with the Commission in accordance with section 304 (e) of the Act;

(2) non partisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive officers and their families, or by a Labor organization aimed at its members and their families, except that expenditures for any such campaigns must be reported with the Commission pursuant to section 304(e) of the Act;

(3) the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization: "except that" (which amendment shall not be subject to amendment); and (11) the text of the bill H.R. 9100 as amended to restore the expenditure and contribution limitations enacted by the Federal Election Campaign Act Amendments of 1974 declared by the Supreme Court to be constitutional only where the election is publicly financed if offered as an amendment inserting... which amendment shall be in order, any rule of the House to the contrary notwithstanding, (but shall not be subject to amendment); Provided, that it shall be in order to debate pending amendments or the bill under the five-minute rule by the offering of pro forma amendments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.



RULE REQUESTED BY THE COMMITTEE ON HOUSE ADMINISTRATION

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R.12406) to After general debate which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be considered as having been read for amendment. No amendment, including any amendment in the nature of a substitute for said bill, shall be in order to the bill in the Committee of the Whole or in the House except the following:

(1) Amendments recommended by the Committee on House Administration (which amendments shall not be subject to amendment);

(2) the amendments printed on page H2053 of the Congressional Record of March 17, 1976, by Representative Hays of Ohio (which amendments shall be considered en bloc and shall not be subject to amendment);

(3) amendments striking out any section of the bill other than the sections recodifying and redrafting provisions formerly contained in Title 18, United States Code (which amendments shall not be subject to amendment);

(4) the text of the bill H.R.11736 if offered as an amendment in the nature of a substitute for H.R.12406 (which amendment shall not be subject to amendment);

(5) an amendment striking out the provisions on page 18 of the bill after the word "Commission." on line 17 through line 25 (which amendment shall not be subject to amendment);

(6) amendments en bloc striking out the provisions on page 27, lines 7 through 21 and striking out section 304 of the bill (which amendments shall not be subject to amendment);

(7) an amendment striking out the period on page 45, line 2 and inserting in lieu thereof ", imprisonment for not more than 1 year, or both." (which amendment shall not be subject to amendment);

(8) an amendment striking out the figure "\$250" on page 44, line 21 and inserting in lieu thereof "\$100" (which amendment shall not be subject to amendment);

(9) an amendment striking out the figure "\$5,000" on page 45, line 19 and inserting in lieu thereof "\$2,500" (which amendment shall not be subject to amendment);

(10) an amendment striking out everything after the comma on page 39, line 6 through line 15 and inserting the following provisions:

"but shall not include ---

(A) communications by a corporation to its stockholders and executive officers and their families or by a labor

organization to its members and their families on any subject, except that expenditures for any such communication on behalf of a clearly identified candidate must be reported with the Commission in accordance with section 304(e) of the Act;

(B) non partisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive officers and their families, except that expenditures for any such campaigns must be reported with the Commission pursuant to section 304(e) of the Act;

(C) the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization: "except that" (which amendment shall not be subject to amendment);

(11) the text of the bill H.R.12728 (this is the Burton bill introduced on March 23, 1976, which incorporates the Wirth amendments and would replace the original request that H.R.9100 as amended, be made in order) if offered as an amendment inserting additional sections in Title III of said bill which amendment shall be in order any rule of the House to the contrary notwithstanding (but shall not be subject to amendment);

Provided, that it shall be in order to debate pending amendments or the bill under the five-minute rule by offering pro forma amendments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

2

PROVISIONS OF RULE REQUESTED BY THE COMMITTEE ON HOUSE ADMINISTRATION

(The numbers correspond to the numbers in the requested rule)

The following amendments would be in order under the requested rule.

Clauses 1 and 2.

Clause 1 would permit amendments recommended by the Committee on House Administration, but such amendments would not be subject to amendment. Clause 2 would permit en bloc consideration of amendments printed on page H2053 of the Congressional Record of March 17, 1976 by Representative Hays.

Purpose: Since this is a modified closed rule, without these provisions the Committee on House Administration would not have an opportunity to present necessary amendments. The amendments made in order by section 2 are a series of technical and conforming amendments.

Clause 3.

The requested rule would permit amendments to strike any section of the bill with the exception of those sections recodifying and redrafting provisions formerly contained in Title 18, United States Code.

Explanation: Any Member may move to strike any section of the bill except section 112, which begins on page 29, line 6 through page 46, line 14. This section includes such provisions as: limitations on individual contributions; increase of individual cash contributions, the anti-proliferation provisions; prohibition against corporate solicitation of contributions from other than executive officers; and the elimination of the requirement that candidates must file reports with the Secretary of State of the state in which they are candidates. (The first Frenzel amendment if made in order would retain this requirement. See ADDITIONAL REQUESTS: FRENZEL). It would also prohibit any amendments to strike any portion of Title II of the bill.

Clause 4.

The requested rule would permit the text of H. R. 11736 to be offered as an amendment in the nature of a substitute for H. R. 12406.

Explanation: H.R.11736 - the Frenzel-Mikva bill simply reconstitutes the FEC to comply with the requirements of the Supreme Court decision. The amendment would not be subject to amendment.

Clause 5.

The requested rule would make in order an amendment striking on page 18 line 17 after the word "commission" everything through line 25.

Explanation: This provisions relates to the power of the FEC to investigate the activities of staff employees of any Federal office holder without first consulting the person holding that office. Under the requested rule, it would be in order to move to strike that provision, thereby permitting FEC investivation of staff employees.

Clause 6.

The requested rule would permit en bloc consideration of motions to strike provisions of page 27, lines 7 through 21, and section 304 of the bill.

Explanation: These provisions of the bill relate to the Congressional disapproval of FEC rules and regulations. By striking these provisions the Congress would not be entitled to veto a part of a proposed rule or regulation, and the motion to consider a resolution of disapproval would not be privileged. The consideration of such a resolution would thus be subject to the regular rules of procedure.

Clause 7.

The requested rule would permit an amendment on page 45, line 2, imposing a criminal penalty of imprisonment for not more than 1 year in addition to the financial penalties already provided.

Explanation: The bill increases the amount of individual cash contributions from the present level of \$100 to \$250. A knowing and willful violation would subject the individual to a fine of \$25,000 or 300 percent of the cash contribution whichever is greater. The amendment made in order would also permit the imposition of a prison sentence for cash contributions in excess of the amount permitted.

Clause 8.

The requested rule would permit an amendment on page 44, line 21, to strike the figure \$250 and insert \$100.

Explanation: This figure relates to the cash contributions by individuals. The bill proposes to increase this amount, the amendment would reinsert the limitation now contained in existing law.

Clause 9.

The requested rule would permit an amendment to strike the figure "\$5,000" on page 45, line 19, and insert in lieu thereof the figure "\$2,500".

Explanation: Under the bill, any willful violation of any provisions of the Act which involves the making, receiving, or reporting of any contribution or expenditure having a value, in the aggregate, of \$5,000 would be subject to a fine and imprisonment. Under the existing law, the figure is \$1,000. The amendment made in order would reduce the figure in the bill to \$2,500. (NOTE: A request has been made to amend the requested rule to strike \$2,500 and insert \$1,000. See ADDITIONAL REQUESTS: FRENZEL)

Clause 10.

The requested rule would permit an amendment (text designated) which would strike out everything after the comma on page 39, lines 6 through 15, and insert the text contained in the requested rule.

Explanation: The portion of the bill to which this amendment applies (which begins on page 37, line 20) contains a prohibition on contributions or expenditures by national banks, corporations or labor organizations but contains certain exceptions. The amendment made in order under the requested rule restates those exceptions, thereby permitting certain contributions or section 304 (which requires reports) of the Act. OPTION: Upon review of the bill and the text of the amendment it appears that a more concise way of describing the amendment is as follows:

- (10) on page 39, line 9 after the word "subject" strike the semi-colons and insert the following:", except that expenditures for any such communication on behalf of a clearly identified candidate must be reported with the Commission in accordance with section 304(e) of the Act;" and on line 12 after the word "families" strike the semi-colon and insert the following: ", except that expenditures for any such campaigns must be reported with the Commission pursuant to section 304(e) of the Act;" (which amendment shall not be subject to amendment.)

Clause 11.

The requested rule would make in order the consideration of the bill H.R. 12728 which was introduced on March 23, 1976, by Mr. Burton and according to his testimony incorporates the Wirth amendments. All points of order would be waived against this amendment and it would not be subject to amendment. The amendment would insert additional section in title III of the bill.

Explanation: As explained by Mr. Burton, this amendment would permit public financing of Congressional elections.

RULES COMMITTEE OPTIONS:

The Rules Committee may adopt any of the following options:

1. Agree to the request of House Administration.
2. Agree to the request but also make in order (as a substitute) the Solarz amendment which would extend public financing to primaries as well as to general elections, but prohibit any further amendments.
3. Agree to the request but allow additional amendments, and permit or prohibit Solarz.
4. Make in order the text of the bill H.R.9100 with or without further amendments and permit or prohibit Solarz.

NOTE: The amendments to provide public financing of elections are drafted as amendments to the Internal Revenue Code. The extent to which the entire code would be open to amendment if the amendments themselves are open to amendment should be considered. It would appear that if the Burton bill or an alternative is open for amendment the provisions of title III which also relate to campaign financing and are amendments to the Internal Revenue Code would be open to amendment as well. House Administration would oppose this on the theory that any amendments to title III would require additional amendments to other provisions of the bill.

NOTE FURTHER: Following each clause in the requested rule is the phrase "which amendment shall not be subject to amendment." The Committee may open any amendment to amendment by striking that phrase from the clause.

ADDITIONAL REQUESTS

During the hearing on March 23, 1976, several Members requested that the Committee on Rules make in order various amendments. The following is a brief explanation of those amendments. The language suggested as possible amendments to the requested rule for the Dodd, Emery and Solarz amendments assumes that those amendments will be printed in the Congressional Record.

DODD AMENDMENT

The Dodd amendment would increase the membership of the FEC from 6 to 8, require that 2 of the members not be affiliated with any political party and would require that any FEC action be taken only upon the affirmative vote of 5 of the 8 members. The amendment goes to section 101 of the bill.

To make the Dodd amendment in order, the following clause might be offered as an amendment to the rule:

After the final numbered clause add the following new clause:
an amendment to section 101 of the bill printed in the Congressional Record of March 24, 1976, by Representative Dodd (which amendment shall not be subject to amendment);

EMERY AMENDMENT

The Emery amendment would eliminate group contributions to political candidates. The amendment would be to section 112 of the bill and would insert a new section 329 to the Act. The insertion would occur on page 45, line 23.

To make the Emery amendment in order, the following clause might be offered as an amendment to the rule:

After the final numbered clause add the following new clause:
an amendment to section 112 of the bill (to add a new section 329 to the Act) printed in the Congressional Record of March 24, 1976, by Representative Emery (which amendment shall not be subject to amendment);

FRENZEL AMENDMENTS

Mr. Frenzel requested that two amendments be made in order:

FIRST, an amendment on page 29, line 7, strike the word "by" and all of line 8. Explanation: The bill, in section 112, strikes section 317 from the Act. Under that section, candidates must file certain information with the respective state Secretary of State certain reports. The Frenzel amendment would retain this provision.

To make the Frenzel amendment in order the following clause might be added to the requested rule:

After the final numbered clause add the following new clause:

on page 29, line 7, strike the word "by" and strike all of line 8 (which amendment shall not be subject to amendment); -

SECOND, Mr. Frenzel has requested that the figure \$2,500 contained in clause 9 of the requested rule be changed to \$1,000. For the effect of this amendment see the explanation of clause 9 of PROVISIONS OF RULE REQUESTED BY THE COMMITTEE ON HOUSE ADMINISTRATION.

LONG AMENDMENT

Mr. Long will propose an amendment as follows:

After the final numbered clause add the following new clause:

on page 17, line 4, after the word "opinion" insert "of general applicability" and on page 17, line 9 strike all after the word "Commission." through line 14 (which amendment shall not be subject to amendment);

Explanation: The bill requires all FEC opinions to be transmitted to Congress for review and possible veto. Under this amendment only opinions of general applicability would be transmitted to Congress. Where there is a specific, non-general request for an opinion, it may be rendered immediately by the FEC without the delay which would occur if such an opinion had to be first submitted to the Congress.

SOLARZ AMENDMENT

Mr. Solarz has requested that an amendment to the Burton amendment be made in order which would extend Federal financing to primaries as well as to general elections. Mr. Solarz has requested that all points of order against the amendment be waived since it may be subject to points of order as being nongermane and in violation of the Budget Act.

WIRTH AMENDMENT

The Wirth amendment is incorporated in H.R. 12728 (Burton).

RULES COMMITTEE OPTIONS:

Options for Clause 9 - Frenzel Request

Strike clause 9 and insert:

(9) an amendment striking out the figure "\$5,000" on page 45, line 19 and insert in lieu thereof "\$1,000" (which amendment shall not be subject to amendment);

Alternative

Strike clause 9 and insert:

(9) an amendment striking out the figure "\$5000" on page 45, line 19 and inserting in lieu thereof "\$2,500" (which amendment shall only be subject to amendment striking the figure "\$5,000" and inserting in lieu thereof "\$1,000");

Option for Clause 10

(The following is more concise language for the requested amendment found in clause 10 of the rule requested by House Administration.)

Strike clause 10 and insert:

(10) on page 39, line 9 after the word "subject" strike the semi-colon and insert the following: ", except that expenditures for any such communication on behalf of a clearly identified candidate must be reported with the Commission in accordance with section 304(e) of the Act;"; on line 12 after the word "families" strike the semi-colon and insert the following: ", except that expenditures for any such campaigns must be reported with the Commission pursuant to section 304(e) of the Act;" and on line 15 strike "except that" and insert "except that".

Options for Clause 11

Solarz Request

Strike clause 11 and insert:

(11) the text of the bill H.R.12728 if offered as an amendment inserting additional section in title III of said bill, which amendment shall be in order any rule of the House to the contrary notwithstanding, and which amendment shall not be subject to amendment except that it shall be in order to consider an amendment in the nature of a substitute for the text of H.R.12728 printed in the Record of March 24, 1976, by Representative Solarz, if offered, and all points of order against said substitute are hereby waived, but said substitute shall not be subject to amendment;

Alternative

Same as above but make both H.R.12728 ^{and the Solarz amendment} subject to amendment. (This clause could be carefully drafted to prohibit amendments to any section of the Internal Revenue Code not referred to in either H.R.12728 or the substitute.)

Alternative

Provide for the consideration of the text of H.R.9100 as introduced, with or without permitting the Solarz amendment, and providing for or prohibiting additional amendments thereto.

OPTIONAL ADDITIONAL CLAUSES:

Dodd Amendment

After the final numbered clause insert the following:
an amendment to section 101 of the bill printed in the Congressional Record of March 24, 1976, by Representative Dodd (which amendment shall not be subject to amendment);

Emery Amendment

After the final numbered clause insert the following:
an amendment to section 112 of the bill (to add a new section 339 to the Act) printed in the Congressional Record of March 24, 1976, by Representative Emery (which amendment shall not be subject to amendmen

Frenzel Amendment - To retain the requirement of filing of reports with state Secretaries of State.

After the final numbered clause insert the following:
on page 29, line 7, strike the word "by" and strike all of line 8 (which amendment shall not be subject to amendment);

Long Amendment

After the final numbered clause add the following:
on page 17, line 4, after the word "opinion" insert "of general applicability" and on page 17, line 9 strike all after the word "Commission." through line 14 (which amendment shall not be subject to amendment);

RULE REQUESTED BY THE COMMITTEE ON HOUSE ADMINISTRATION

5

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R.12406) to After general debate which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be considered as having been read for amendment. No amendment, including any amendment in the nature of a substitute for said bill, shall be in order to the bill in the Committee of the Whole or in the House except the following:

(1) Amendments recommended by the Committee on House Administration (which amendments shall not be subject to amendment);

(2) the amendments printed on page H2053 of the Congressional Record of March 17, 1976, by Representative Hays of Ohio (which amendments shall be considered en bloc and shall not be subject to amendment);

(3) amendments striking out any section of the bill other than the sections recodifying and redrafting provisions formerly contained in Title 18, United States Code (which amendments shall not be subject to amendment);

(4) the text of the bill H.R.11736 if offered as an amendment in the nature of a substitute for H.R.12406 (which amendment shall not be subject to amendment);

(5) an amendment striking out the provisions on page 18 of the bill after the word "Commission." on line 17 through line 25 (which amendment shall not be subject to amendment);

(6) amendments en bloc striking out the provisions on page 27, lines 7 through 21 and striking out section 304 of the bill (which amendments shall not be subject to amendment);

(7) an amendment striking out the period on page 45, line 2 and inserting in lieu thereof ", imprisonment for not more than 1 year, or both." (which amendment shall not be subject to amendment);

(8) an amendment striking out the figure "\$250" on page 44, line 21 and inserting in lieu thereof "\$100" (which amendment shall not be subject to amendment);

(9) an amendment striking out the figure "\$5,000" on page 45, line 19 and inserting in lieu thereof "\$2,500" (which amendment shall not be subject to amendment);

(10) an amendment striking out everything after the comma on page 39, line 6 through line 15 and inserting the following provisions:

"but shall not include ---

(A) communications by a corporation to its stockholders and executive officers and their families or by a labor

organization to its members and their families on any subject, except that expenditures for any such communication on behalf of a clearly identified candidate must be reported with the Commission in accordance with section 304(e) of the Act;

(B) non partisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive officers and their families, except that expenditures for any such campaigns must be reported with the Commission pursuant to section 304(e) of the Act;

(C) the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization: "except that" (which amendment shall not be subject to amendment);

(11) the text of the bill H.R.1278 (this is the Burton bill introduced on March 23, 1976, which incorporates the Wirth amendments and would replace the original request that H.R.9100 as amended, be made in order) if offered as an amendment inserting additional sections in Title III of said bill which amendment shall be in order any rule of the House to the contrary notwithstanding (but shall not be subject to amendment);

Provided, that it shall be in order to debate pending amendments or the bill under the five-minute rule by offering pro forma amendments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Some of the more significant differences between HR 12406 as reported and S 3065 as passed by the Senate, are set out in the paragraphs which follow. A section by section comparison of the two measures is also available.

The Senate bill provides for eight voting members of the Commission. Two of the eight are not to be "affiliated with any political party; Commissioners are to have eight year terms. (Pg. 2/4-25) ^{lines}

Section 102 (f) excludes from the definition of expenditure partisan registration and "get out the vote" activities conducted by the National Committees, any of their subordinate committees, or by the state committees of "a national party", but such activities must be reported. (Pg. 10, lines 8-16)

Section 103 raises the record keeping requirement threshold for contributions from \$10 to \$100. (Pg. 12, lines 18-20)

Under the Senate bill, quarterly reports are not required in non-election years ~~when~~ ^{unless} contributions or expenditures exceed \$5000 in any calendar quarter. (Pg. 13, line 13)

Section 104 includes a provision to the effect that when a treasurer or candidate can show that he made his best efforts to obtain information required by the reporting sections, they will be deemed to be in compliance with the law. (Pg. 15, lines 1-5)

The bill requires reporting of the costs of communications by a corporation to its stock holders or by a labor union or other membership organizations to its members which expressly advocate the defeat or election of any candidate to Federal office. Such expenditures in excess of \$1000 per candidate per election are to be reported. (Pg. 15, lines 19-24 and Pg. 16, lines 1-2)

The Senate bill does not include the advisory opinion amendments contained in Section 108 of HR 12406.

Section 107A of the legislation forbids the conversion of political contributions to personal use. (Pg. 26, lines 3-8)

The Senate bill does not contain the item veto provision contained in the House Rule. It changes the congressional review period to 30 calendar days or 15 legislative days, whichever is later. (Pg. 26, lines 22-24 and Pg. 27, lines 1-2)

The bill changes present law so that mass mailings sent out under the frank would be prohibited 60 days before an election. (Pg. 27, lines 16-24 and Pg. 28, lines 1-4 and Pg. 64, lines 1-5)
The Senate legislation has the following individual

contribution celings:

-\$1000 to any candidate or committee per election.

-\$25,000 per year to any committee established and maintained by a political party.

-\$5000 per year to any other political committee.
(Pg. 28, lines 10-21)

Multi-candidate committees have the ceilings set out below:

-\$5000 to an authorized committee or to the candidate per election.

-\$25,000 per year to a political committee established or maintained by a political party.

-\$10,000 per year to any other political committee.
(Pg. 28, lines 22-24, Pg. 29, lines 1-8)

The anti-PAC proliferation language which appears in Section 320 (a) (2) (p. 30 at lines 11-18) of HR 12406 is different in the Senate bill. The House measure provides, "including any parent subsidiary, branch, division, department, or local unit of such corporation, labor organization, or any other person, or by any group of such persons shall be considered to have been made by a single political committee". Companion language in the Senate bill provides, "including any parent, subsidiary, branch

division, department, affiliate, or local unit of such person".
(Pg. 29, lines 21-24 and Pg. 30, lines 1-3)

The Senate bill also contains language to the effect that a political committee of a national organization is not precluded from contributing to a candidate or to his committee "merely because" of its affiliation with a national multi-candidate political committee which has made its maximum legal contribution to that candidate. (Pg. 30, lines 10-15)

The Senate bill permits "notwithstanding any other provision of this Act" the RNC, DNC or either of the two Senate Campaign Committees or any combination of such committees to contribute \$20,000 per election per candidate, who is running for the Senate. (Pg. 36, lines 22-24 and Pg. 37, lines 1-5)

As to corporate and labor PAC solicitations, the Senate bill contains the HR 12406 restrictions on solicitations. It has an additional provision to the effect that corporations, unions or their PACs may make two written solicitations by mail of stockholders, employees, executive officers and their families. Solicitations under this provision must be designed so that the solicitor cannot determine who makes a contribution and who does not. (Pg. 40 lines 15-24, and Pg. 41, lines 1-2)

The Senate bill contains language

providing that any method of soliciting voluntary contributions used by a corporation shall be made available at cost on written request to a union representing any of the corporations employees. (Pg. 41, lines 15-21)

It strikes 18 USC 616, which prohibits the receipt of excessive honoraria. (Pg. 51, line 14)

The Senate bill retains the present \$100 limit in cash contributions. (Pg. 46, lines 1-7)

The legislation's penalty section addresses knowing and wilful violations involving \$1000 or more and makes them subject to a \$25,000 fine or 300% of

the amount involved in the violation whichever is greater. A "knowing and wilful" violation of the corporate and labor contribution prohibitions are subject to a fine of up to \$50,000 or two years in prison. (Pg. 46-lines 22-25 and Pg. 47, lines 1-18)

The public financing sections are amended to cut-off public financing to any candidate receiving less than 10% of the vote in two consecutive primaries. Any candidate who is cut-off can be reinstated if he receives 20% or more of the votes in a subsequent primary. (Pg. 55, lines 7-22 and Pg. 56, lines 1-14)

Finally, the legislation includes an amendment requiring an annual detailed financial disclosure to the GAO by all officers and employees of the legislative, executive and judicial branches as well as candidates for federal office who make more than \$25,000. This statement shall include disclosure of assets owned by the officer, "a jointly by him and his spouse.". (Pg. 64, lines 6-24 and Pg. 65 and 66.)

SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 437c(a)(1), (2): Appointment
of Commissioners.

Sec. 101(a)(1), (2): 6 members, 6 year terms
(one appointed by President each year). Secretary
of Senate and Clerk of House are ex-officio-
non voting members.

Sec. 101(a)(1), (2): 8 Commissioners
(2 independents) - President appoints two
Commissioners of opposite parties
every non-election year (1977, 79,
81, 83.) term expires April 30, of
off year.

2 U.S.C. 437c(a)(3): Selection of
members.

Sec. 101(c)(1): Prohibits outside "business,
vocation, or employment" for Commissioners.
Provides 1 year to "liquidate" such activities.

No provision.

2 U.S.C. 437c(b): Commission
authority

Sec. 101(c)(2)(b)(1): Expands jurisdiction
from "primary" civil enforcement to "exclusive,
primary" jurisdiction.

Sec. 101(b)(1): Same as House
EXCEPT: Jurisdiction expanded to
"exclusive and primary" for civil
enforcement.

2 U.S.C. 437c(c): Majority vote

Sec. 101(c)(2)(b)(3): Vote of 4 Commissioners
required for any action on Guidelines on FECA,
Title 26, Regulations, Advisory Opinions, forms,
enforcement.

~~No provision~~ 5 votes required
for commission action.

2 U.S.C. 437c(f)(1): Civil
Service

No provision

Sec. 101(d): Exempts FEC from
Civil Service.

Interim FEC

Sec. 101(d)(e)(1), (2), (3): Until new members
are appointed and confirmed, existing members
shall continue to serve, but authority is
limited to what Buckley v. Valeo specified.

Sec. 101(d)(e)(1), (2), (3):
Same as House.



ction of Federal Election
mpaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

U.S.C. 437c(a)(3): Transfer
provisions from old FEC to new one.

Does not contain any transfer provisions.

Sec. 101(f),(g): (1), (2), (3), (4), (5), (6):
Provides for transfer of FEC personnel and
property to new agency; no reduction in
grade or pay for one year. All previous
advisory opinions, rules, etc., not modi-
fied by Buckley v. Valeo shall remain in
effect; current proceedings not affected.

Definitions:

U.S.C. 431(a)(2): "election"

Sec. 102(a): Election--Changed from party
caucus or convention held to nominate to
with authority to nominate.

Section 102(a): Same as House.

U.S.C. 431(e)(2): Definitions
'contribution'

Sec. 102(b): "oral contracts, ...expressed
or implied..." are no longer considered
contributions written only.

Sec. 102(b): Same as House.

U.S.C. 431(e)(4): definitions.
contribution

Sec. 102(C)(1): exempts from definition of
contribution legal or accounting services
rendered to national committees of political
parties and to candidates.

Sec. 102(c) ~~(1)~~: Same as House, But requires
that such contributions shall be reported.



U.S.C. 431(e)(5): exemptions
om "contributions."

Sec. 102(c)(2): Adds a new exemption for a gift
to a political party specifically earmarked for
the construction or purchase of an office facility.
All such contributions are required to be reported.

No provision.

U.S.C. 431(f)(4): exemptions
om definitions of "expenditure"

Sec. 102(d)(1): Adds conforming language from
18 U.S.C. 591(f)(4)(H) which permits additional
20% above expenditure limits for fundraising
purposes.

(f)(3)
Sec. 102 (1): Same as House.

U.S.C. 431(f)(4): exemptions
om definition of "expenditure"

no provision
Sec. 102(d)(2): Exempts legal and accounting ser-
vices from definition of "expenditure"

Sec. 102 (f): Party registration or get out
vote activity exempt from expenditure definition
but must be reported.
Sec. 102(d)(2): Same as House but
requires that all such expenditures
be reported.

U.S.C. 431: New sections

Sec. 102(e)(3): Adds definition of "Act" to in-
clude all relevant sections of Titles 2, 18 and
26 of USC. Defines "independent expenditure"
("without cooperation, consultation...not in con-
cert with or at the request of...candidate").
Defines "clearly identified candidate."

Sec. 102(e)(3): Same as House, except
contains no definition of "clearly
identified candidate." or "independent
expenditure."

U.S.C. 432(e): Requires
authorized committees to pub-
lish disclaimer on "all literature
and advertisements"

Sec. 103: Deletes 2 U.S.C. 432(e). (Incorpora-
ted later in treatment of independent expendi-
tures.)

102f: amends definition of expenditure
to exclude partisan get out the vote and
registration activities conducted by
political parties.

103(c): Same as House

U.S.C. 432(b): Recordkeeping for
contributions in excess of \$10
required.

No provision.

Sec. 103(a), (b): Raises record-
keeping requirement from \$10 to
\$100.

U.S.C. 434(a)(1): Reporting
waiver

Sec. 104(a): Waives quarterly reporting require-
ments in non-election years when contributions or
expenditures do not exceed \$10,000 for that
quarter.

Sec. 104(a): Quarterly report
waived in non-election years when
contributions or expenditures do
not exceed \$5,000 for quarter.



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 434(a)(2): All political committees supporting candidate required to file reports with principal campaign committee of candidate.

Sec. 104(b): only political committees authorized by candidate required to file report with principal campaign committee.

Sec. 104(b): Same as House.

2 U.S.C. 434(b)(2), (5): Identification required in reports.

Same as law.

Same as House.

no provision

2 U.S.C. 434(b)(13): Reporting requirement for Independent expenditures

Sec. 104(c)(3): Political committee making independent expenditures on behalf of a clearly identified candidate are required to report to the FEC. They must disclose identity of candidate supported or opposed, and certify under penalty of perjury that the expenditures are independent.

Sec. 104(b)(3): If candidates + tv newscasters show "best efforts" to obtain info. - Then deemed to be in compliance with law.
Sec. 104(c)(3): Same as House.

2 U.S.C. 434(e): contributions or expenditures by persons other than political committees or candidates.

Sec. 104(d): Requires reporting by "persons" making independent contributions or expenditures over \$100--identify candidates supported or opposed, certify independence, file on same dates as political committees, including pre-election activities over \$1,000 within ²⁴ ~~48~~ hours. FEC directed to prepare index of independent expenditures on behalf of candidates.

Sec. 104(e): Same as House. *EXCEPT: ^{in excess of \$1,000} Election*
Requires reporting to Commission of all costs of communications made by a corporation to its stockholders or by a labor organization or membership organization to its members which expressly advocate the election or defeat of a clearly identified candidate.

2 U.S.C. 437a: Reports by certain persons.

Held unconstitutional. (Repealed)

Held unconstitutional. (Repealed)

2 U.S.C. 437(b)(a)(1): Campaign depositories.

Sec. 106: Permits principal campaign committees to maintain "one or more" checking accounts.

No provision.



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 437d(a): Powers of
the Commission.

Sec. 107(a): Authority to write regulations
covers all sections which used to be in title
18 (608, 610, 611, 613, 614, 615, 616, 617)
(now transferred to title 2) title 26, title 2,
title 5 (chapter 5)

Sec. 106(a): Same as House.

2 U.S.C. 437d(a)(6): Civil
enforcement (general statement)

Sec. 107(b)(1): Technical change which
reflects substantive changes in enforcement
procedures made later in bill.

Sec. 106(b)(1): Same as House.

2 U.S.C. 437d: Powers of the
Commission.

Sec. 107(b)(2): Adds new section to 437d which
states that the Commission is the exclusive
civil remedy for the Act.

Sec. 106(b)(2)(e): Same as House.

2 U.S.C. 437f: Advisory Opinion
Section.

Sec. 108(a): Extends standing for individuals
requesting advisory opinions to National com-
mittees of political parties. Further provides
no AO can be issued by Commission or employees
except in accordance with 437f.

No provision.

2 U.S.C. 437f(b): Individuals
following advisory opinions in good
faith cannot be prosecuted.

Sec. 108(b)(2): Advisory Opinions may be
relied upon by persons involved in "similar
transactions," not just specific persons
requesting them.

No provision.



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 437f(6): Advisory Opinions

Sec. 108(b)(2)(B): All advisory opinions not subject to existing rule or regulations must be transmitted to Congress in regulation form within 30 days. FEC may not render more than one advisory opinion relating to the same or similar activities. Congressional review of advisory opinions same procedure as for other regulations. Applies to all previous Commission advisory opinions.

No provision.

2 U.S.C. 437g: Enforcement

Sec. 109(a): Complaints filed with the Commission must be signed and notarized.

Sec. 107(313)(a): Same as House.

Sec. 109(a): FEC may not take any action solely on the basis of an anonymous complaint.

Same as House.

Sec. 109(a): Prohibits investigations of activities of staffers of Federal officeholders without consent of officeholder. Affidavit signed by employer (officeholder) stating that employee is performing "regularly assigned duties" would prohibit any further investigation.

No provision.

2 U.S.C. 437g: Enforcement.

Sec. 109(a)(2): Prior to Commission action on a complaint, it must notify the individual about to be investigated... "reasonable cause to believe" ...requisite before undertaking investigation.

Sec. 107(313)(a)(2): Same as House. EXCEPT "reason to believe"...that a person has committed a violation is requisite prior to action.

Sec. 109(a)(3): Any investigation undertaken shall also include an investigation of reports filed by complaintant (if a cand) and shall not be made public by the Commission without written consent of individual under investigation.

Sec. 107(a)(3): Same as House.



2 U.S.C. 437g:

Sec. 109(a)(4): After the Commission notifies someone that they have apparently violated the law, the Commission is required to give that person a reasonable opportunity to demonstrate that no action should be taken by the Commission.

Sec. 107(a)(4): Same as House.

Sec. 109(a)(5)(A): If the Commission has "reasonable cause to believe" that someone has violated the Act, every effort is to be made for 30 days to correct the violation by informal methods of conference and conciliation. If 10-45 days before elec., the conciliation period is to be 1/2 of the time left until the election. Complaints received (10) days before the election or less cannot be investigated until after the election. Conciliation agreement, unless violated, constitutes an absolute bar to prosecution.

Sec. 107(a)(5)(A): If the Commission has "reason to believe" that a violation has occurred, it may attempt to correct the violation through conciliation. There is no time limit for the conciliation period, conciliation agreement, unless violated, constitutes absolute bar to prosecution.

2 U.S.C. 437g: Enforcement

Sec. 109(a)(5)(B): If attempt at conference and conciliation has failed, and if the Commission determines "probable cause" that a violation has occurred, it may go to Court and institute a civil action for civil relief, obtain an injunction, restraining order, etc. (NOTE: Present statute requires that the Commission have "reason to believe" before going to Court. The requirement to determine "probable cause" is a tougher standard.

Sec. 107(a)(5)(B): Same as House.



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 437g: Enforcement

Sec. 109(a)(5)(D): The Commission may refer apparent violations to the Attorney General without regard to the conciliation period if it determines that there is "probable cause to believe that a knowing and willful violation has occurred." (Note: Present statute permits referrals on the basis of "reason to believe")

Sec. 107(a)(5)(D): Same as House.

Sec. 109(a)(6): The Commission may, if it believes that there is "clear and convincing proof that a knowing and willful violation has occurred," impose, as part of the conciliation agreement a civil penalty of \$10,000 or twice the contributed or expended violation.

Sec. 107(a)(6): Same as House.
EXCEPT: Penalty is \$10,000 or 300% of violation, whichever is greater.
ALSO: Includes penalty for clear and convincing proof of a violation which need not be knowing and willful \$5,000 or amount equal to violation may be imposed.

Sec. 109(a)(7): In civil actions brought by the Commission, the Court may impose a penalty of \$10,000 or 200% of violation. In order for the Commission to obtain relief, the Commission need only prove that an individual has violated a conciliation agreement.

Section 107(a)(7): Same as House
EXCEPT: Penalty is \$10,000 or 300% of violation, whichever is greater.

Sec. 109(a)(6)(B): Penalty provision for violations (don't need to be "knowing and willful") \$5,000 or amount of contribution or expenditure involved in violation.

Same as House. (See 107(a)(b).)



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 437g: Enforcement

Sec. 109(a)(9)(A)(B)(C): An aggrieved party, because of Commission dismissal of a complaint or Commission inaction, may file a petition with the District Court for the District of Columbia.

Sec. 107(a)(10)(A), (B), (C): Same as House.

Sec. 109(a)(12): If it is determined than an individual has violated an order of the Court, the Commission may petition the Court to hold such person in criminal contempt.

Sec. 107(a)(13): Same as House.

Sec. 109(c): Any Commission employee who violates the confidentiality requirement for this section can be fined up to \$2,000 for a non-knowing violation and up to \$5,000 for a "knowing and willful" violation.

Sec. 107A: prohibits conversion of excess campaign funds to personal use

No provision

2 U.S.C. 438(a)(6): Index of Reports and Statements.

Sec. 110(a)(1): Expands indexing obligation of the Commission to reports and statements filed by Committees. Present law only requires indexing of candidate reports.

Sec. 108(a): Same as House.

2 U.S.C. 438(a)(8): Duties of the Commission to make field investigations from time to time.

Sec. 110(a)(2): Commission obligated to "give priority" to the auditing of candidates for the presidency receiving public financing.

No provision.

2 U.S.C. 438(c)(2): Congressional review of regulations.

Sec. 110(b)(1): Permits regulations to be disapproved "in whole or in part" within 30 legislative days. If not disapproved in that time, regulation can be prescribed by the Commission.

Sec. 108(b)(1): Does not contain line item veto. "appropriate body" must disapprove entire regulation within 30 calendar days or 15 legislative days to keep Commission from prescribing regulation.



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 438(c)(2): review of
Commission regulations.

Sec. 110(b)(2): Resolutions to disapprove
Commission regulations are made privileged
questions. They need not be considered by the
House Rules Committee as they are now. There
would be no debate on the motion to proceed to the
consideration of the resolution.

No provision.

2 U.S.C. 438(e): New section.
Legal status of Commission
actions.

Sec. 110(C): No Commission advisory opinions, opinions
of counsel, interim guidelines, or guidelines may be intro-
duced in Court as evidence against someone.

No provision.

2 U.S.C. 456: Additional enforcement
authority. Individuals failing to file
reports can be prohibited from running
for office for the length of the term they
are campaigning for plus 1 year.

Sec. 111: Imposes the mandatory conciliation period upon
Commission before action could be taken. Otherwise
same as 2 U.S.C. 456.

Sec. 109: Repeals 2 U.S.C. 456.

No provision.

Sec. 110: Amends 39 U.S.C. 3210 on pending ^{an. en. l.}
period before primary or general election
election during which mass mailings under
the frank may not be made from 28 days to 60
days.

2 U.S.C. 431: Contribution and
expenditure limitations are trans-
ferred from title 18 to title 2.

Sec. 112(a): Retains 18 U.S.C. §608(b)(1), and thus
limits contributions from individuals to candidates to

Sec. 111(320)(a): Identical to 18 U.S.C.
608(b)(1)--\$1,000 per election

2 U.S.C. 431: Contribution and expendi-
ture limitations are transferred from
Title 13 to Title 2.

Sec. 112(a): Reduces limit on individual contributions
to political committees from \$25,000 per year (maximum
limit of all contributions to political committees and
candidates) to \$1,000 per year.

Sec. 111(320)(a): Retains previous limit in
608(b)(3) of \$25,000 per year to political
committees.

Sec. 112(a)(2)(A), (B): Qualified multi-candidate
committees limited to \$5,000 per election contributions
to candidates. Limits multi-candidate committee transfers
to \$5,000 per year per committee. (NOTE: Present law
does not limit transfers.)

Sec. 111(320)(a)(2)(A), (B): Same as House.
EXCEPT: Multi-candidate committee transfers
are limited to \$25,000 per year per committee
in the case of transfers to political party
committees which are not principal campaign
committees - and \$10,000 to all other political
committees.



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 431: Contribution and Expenditure
Limitations. Transferred from Title 18.

Section 112(a)(2)(B)(1), (2): All contributions made by
corporate PAC - or by any of the PAC's subsidiaries,
branches, divisions, departments, or local units are
all subject to one \$5,000 per candidate limitation.
Same for labor organizations. Section does not apply
to political committees of National or State Political
Committees of Political Parties. .

Section 110(320)(a)(2): Same as House.
EXCEPT: New subsection(c) which states
that a pol. comm. of a natl. org.
is not precluded from contributing
merely because it is associated
with a natl. multi-cand. comm. that
has contributed the limit. (Language
is ambiguous and needs clarification)

Section 112(320)(a)(3): is identical to 18 U.S.C.
608(b)(3)

Section 110(320)(a)(4): Same as
House.

2 U.S.C. 431: Contribution and Expenditure
Limits transferred from Title 18.

Section 112 (320)(a)(4)(A): Follows 18 U.S.C. 608(b)(4)(A),
makes minor change deleting superfluous language.

Section 110 (320)(a)(4)(A): Same
as House.

Section 112 (320)(A)(4)(B): is new and attempts to
codify Court decision as to when an independent
expenditure is a contribution versus an "independent
expenditure." Uses Court language - expenditures
made in "cooperation, consultation, . . . request or
suggestion" of candidate are contributions to
candidate.

Section 110 (320)(a)(4)(B): Same
as House.



Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 431: Contribution and expenditure
limits transferred from Title 18.

Section 112 (320)(a)(4)(C): Identical to
18 U.S.C. 608(b)(4)(B).

Section 110 (320)(a)(4)(C):
Same as House.

Section 112 (320)(a)(5): Basically follows
18 U.S.C. 608(b)(5).

Section 110 (320)(a)(5):
Same as House.

Section 112 (320)(a)(6): Identical to
18 U.S.C. 608(b)(6).

Section 110 (320)(a)(6):
Same as House.

Section 112 (320)(b): Recodifies expenditure limits
for candidates accepting public funds (Presidential
Candidates).

Section 110 (320)(b): Same
as House, EXCEPT: Expenditure limit
raised from 8¢ to 16¢ per Voting Age
Population per State or from \$100,000
to \$200,000 per State.

2 U.S.C. 431: Contribution and Expenditure
limits transferred from Title 18.

Section 112 (320)(c): Identical to 18 U.S.C. 608(d).

Section 110 (320)(c): Same as House.

Section 112 (320)(d): Identical to 18 U.S.C. 608(f).

Section 110 (320)(d): Same as House.

Section 112 (320)(e): Identical to 18 U.S.C. 608(g).

Section 110 (320)(e): Same as House.

Section 112 (320)(f): Identical to 18 U.S.C. 608(h).

Section 110 (320)(f): Same as House.

Section 112 (320)(g): Identical to 18 U.S.C. 608(b)(4).

Section 110 (320)(g): Same as House.

No provision



(320)(h)
RNC DNC and two
Senate Campaign Committees
can contribute 20,000
per election per candidate
"notwithstanding any other
section" of law

SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S. 3065)

2 U.S.C. 431: Contribution and Expenditure
Limitations transferred from Title 18.

Section 112 (321): Basically follows 18
U.S.C. 610 but makes it clear that corporate PACs
may only solicit from stockholders and a limited
number of employees, i.e., "Executive or adminis-
trative personnel." Such personnel defined as
"an individual employed by a corporation who is
paid on a salary rather than an hourly basis
and who has policymaking or supervisory
responsibilities" ALSO.

in R/R
Section 110(321): Same as House in limitations
on corporate and union solicitations. EXCEPT:
Twice a year corporations to unions may solicit
everyone by mail. Also this solicitation
must be done in a manner which would not dis-
close to those soliciting who gave and who
did not. NOTE: Section 104(e) (3) requires
those who contribute in excess of \$100 as a
result of mail solicitation are required to
indicate how much they contribute "to the
recipient."

U.S.C. 431: Contribution and Expenditure
Limitations transferred from Title 18.

Section 112 (321) (b) (2) (C) (ii): Unincorporated
trade associations limited to solicitation of
stockholders and executive officers and families
of member corporations.

Section 110 (321) (b) (2) (C): Membership
organizations and corporations who do not
have capital stock may solicit their members.
No provision for trade associations.

No provision.

Section 110 (321) (b) (2) (a) (B) (C) (D): Incor-
porates FEC SUN PAC language on protection
of employees solicited by corporate and union
PACs. (1) Cannot solicit subordinates,
(2) must inform of political purposes when
soliciting, and (3) right to refuse
solicitation.

Contributions or expenditures by National
banks, corporations, or labor unions.

Section 112 (321) (b) (s) (C) (iii), (iv): Any method
of soliciting voluntary contributions used by
corporations shall be made available, upon
written request, to labor organization for
solicitation of membership.

Section 110(321) (b) (2) (C) (4) (5): Same
as House. EXCEPT: Must be furnished at
cost.

U.S.C. 431: Contributins and Expenditure
imitations transferred from Title 18.
18 U.S.C. 611 - Contributions by Government
ontractors)

Section 112 (322): Contributions by Government
Contractors. Basically identical to 18 U.S.C.
611, EXCEPT: Previous penalty provision deleted
and moved to Section 328.

Section 110(322): Same as House.
EXCEPT: Penalty provision deleted and moved
to Section 329.

Section 112 (323): Publication and/or distribution
of political statements. Essentially a revision of
18 U.S.C. 612 but narrows prohibition of anonymous
publications to communications "expressly advocating
the election or defeat of a clearly identified
candidate."

Section 110 (323): Same as House.



Section of Federal Election Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

2 U.S.C. 432(f): Principal campaign committees "... no political committee which supports more than one candidate may be designated as a principal campaign committee."

Section 114: Amends 2 U.S.C. 432(f) to permit principal campaign committee to make "occasional, isolated, or incidental support" of more than one candidate.

No provision.

NEW SECTION - added to 2 U.S.C. 451. "Termination of Authority of Commission"

Section 115. The authority of the Federal Election Commission to administer this Act shall terminate on March 31, 1977 if either House votes to do so.

No provision.

Authorization - NEW SECTION. 2 U.S.C. 439(c)

No provision

Section 111: Amends 2 U.S.C. 439(c) to, authorize \$8,000,000 for Fiscal Year ending June 30, 1976. \$2,000,000 for transfer period ending September 30, 1976. \$8,000,000 for subsequent year ending September 30, 1977. (NOTE: 20% less than Senate authorization contained in S. 3044.)

Technical amendments

Same as Senate.

Section 112: Savings provision.

Section 116: Technical amendments.

Section 113: Technical amendments. Identical to House.

Title II. Amendments to Title 18.

Section 201: Repeals provisions of Title 18 which have been transferred to Title 2.

Section 201: Same as House.

Definitions: Title 18, Title 2:

Section 202(a): Technical change to reflect transfer from Title 18 to Title 2.

No provision.

18 U.S.C. 591(e)(4): Exemptions from definition of expenditure.

Section 202(b): Exempts legal and accounting fees from definition of "expenditure" in 18 U.S.C. 591(e)(4)

No provision contained here. Exemption provided for in other portions of the Bill.

Title 3: Amendments to Internal Revenue Code of 1954. 26 U.S.C. 9004

Section 301: Amends 26 U.S.C. 9004 to limit the amount that a candidate may use from his personal funds and immediate family to \$50,000 - if he or she accepts public monies.

Section 301: Same as House.



Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S.3065)

26 U.S.C. 9006(b)

Section 302(a): Strikes 26 U.S.C. 9006(b) which provided that monies remaining in check-off fund were returned to Treasury.Section 302: Same as House.Section 302(b): Prohibits use of the General Treasury monies for public financing.

No provision.

26 U.S.C. 9008(d): Conventions. Limits on expenditures.Section 303: Exempts legal and accounting fees rendered for conventions from expenditure limitations.Section 306: Same as House.26 U.S.C. 9009(c)(2): Review of FEC Regulations under Public Financing Provisions.Section 304: Identical to Section 111 Regulation Review Procedures. Line item veto and privileged question on floor of House.Section 303: Identical to Section 102 Regulation review proccures. "30 calendar or 15 legislative days disapproval...." NO line item veto, or privileged questions on floor of House.Sections 305 and 306: Technical, grammatical changes.Sections 304 and 305: Same as House, EXCEPT: Adds personal limitation of \$50,000 to qualified campaign expenses. Appears to be only a technical change.Section 9002(2). Chapter 95. Definitional Section.Section 307: Would require candidates who have ceased to "actively seek" election to return excess funds to Treasury if they have received public financing. "Actively seek" is not defined.

No provision.

No provision.

Section 306(a): New Section: Public financing shall cease to candidates receiving less than 10% in 2 successive States where they did not voluntarily withdraw from ballot.

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S. 3065)

No Provision.

Section 306(b): Reinstatements of Payments:
Candidates having been cutoff from funds under (d) may get them back if they receive 20% or more in primary held after cutoff.

Section 308: Technical Amendments.

Section 307: Technical Amendments including exemption from legal and accounting fees specified earlier in (House) bill.

Section 401: Establishes a "Bicentennial Commission or Presidential Nominations. Composed of 20 members - 6 appointed by President of Senate - 6 appointed by

No Provision

Speaker of House - 6 by President and the Chairman of RNC & DNC serve ex officio without right to vote.

No Provision.

Section 403 Functions of Commission: Analyze nominating process, State laws, party rules, alternative nominating systems, financing of nominating campaigns, and interrelatedness of all of the above.

No Provision.

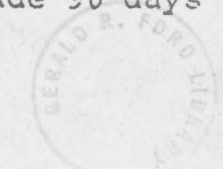
Section 404. Powers of Commission:
Administers oaths, hold meetings, request the attendance of witnesses, pay per diem for witnesses, appoint a staff director and other staff as may be necessary, hire part-time and temporary people.

No Provision.

Section 405 Compensation to Members of Commission: Travel - no salary.

No Provision.

Section 406 Appointments to be made 90 days of reenactment of Act.



SECTION BY SECTION COMPARISON

Section of Federal Election
Campaign Act to be Amended

House Bill (H.R. 12406)

Senate Bill (S. 3065)

No Provision

Section 407: Authorized such funds as may be necessary.

No Provision.

Section 501: Technical change - reflecting earlier change in period before elections during which mass mailings under the frank may not be sent out. Expanded from 28 days to 60.

No Provision.

Section 502: Financial Disclosure
All employees of Federal Government (Legislative, Executive and Judicial) receiving compensation in excess of \$25,000 per year required to file detailed financial disclosure statement with Comptroller General.

