

regulations provide a definition of "convention expenses" in 11 CFR 9008.7(a)(4), which explains that convention expenses "include all expenses incurred by or on behalf of a political party's national committee or convention committee with respect to and for the purpose of conducting a presidential nominating convention or convention-related activities." 11 CFR 9008.7(a)(4). The current regulation includes a non-exhaustive list of 13 examples of particular types of convention expenses. *See* 11 CFR 9008.7(a)(4)(i) to (xiii).

A. Revisions to Convention Expenses, 11 CFR 9008.7(a)(4).

The Commission is considering two alternatives for revising 11 CFR 9008.7(a)(4), both of which are set out in the regulatory text portion of this NPRM. The alternatives are intended to reach the same result as to what expenses may be paid by convention committees, host committees, and municipal funds. They differ as to the location of various provisions regarding permissible and impermissible expenses. Alternative A would involve removing the list of thirteen examples of particular types of convention expenses in 11 CFR 9008.7(a)(4). The Commission's experience with national nominating conventions indicates that, generally speaking, the public funds provided for conventions are carefully conserved, given the convention committees' limited resources. Thus, the Commission is considering, under Alternative A, whether the convention committees' use of funds can be adequately addressed with the general and generic definition of "convention expenses" in section 9008.7(a)(4). Additionally, using a broad and generic definition is consistent with the approach in the Commission's regulations concerning qualified campaign expenses for presidential primary and general elections. *See* 11 CFR 9002.11 (general election definition of qualified campaign expense); 11 CFR 9004.4 (general election use of payments); 11 CFR 9032.9 (primary election definition of qualified campaign expense); and 11 CFR 9034.4 (primary election use of contributions and matching payments).

Moreover, a number of the examples qualify as "convention expenses" in such an unambiguous way, the value of stating them as an example is questionable. For example, one states that "salaries and expenses of convention committee employees * * * and similar personnel, whose responsibilities involve planning, management or otherwise conducting

the convention." Could such expenses fail to meet the general definition of "convention expenses" in section 9008.7(a)(4) under any interpretation? A few of the examples impose some limitations that may not otherwise be obvious. Entertainment activity expenses is one such provision, 11 CFR 9008.7(a)(4)(viii). While provisions such as this one focus on preventing the convention committee from subsidizing other organizations, the Commission is considering whether the opposite arrangement is more frequently encountered. The Commission also seeks comment on two other particular provisions: 11 CFR 9008.7(a)(4)(iii) and (iv), which permit convention committees to reimburse national party committees for a portion of certain employees' compensation. Do convention committees typically make the arrangements contemplated by these provisions? Or do some employees temporarily leave the employ of the national party committees and become employees of the convention committees?

The Commission seeks comment on its proposed simplification of the definition of convention expenses under Alternative A. Particularly, are any of the thirteen examples necessary to include in the codified regulation? Are there any drawbacks to deleting the thirteen examples? Does the proposed definition of "convention expense" standing alone provide sufficient guidance?

Alternatively, the Commission seeks comment on whether it should refine the current list of examples. Under this alternative, the Commission would retain the general definition of "convention expenses" in 11 CFR 9008.7(a)(4). What changes should be made to the list of examples? Should any be deleted? Should other examples be added?

In contrast, Alternative B would retain the list of thirteen permissible convention expenses currently located in section 9008.7(a)(4), but move them to a new section, 11 CFR 9008.17. Under this alternative, new section 9008.17 would contain lists of permissible expenses for convention committees (paragraphs (a) and (b)), and host committees and municipal funds (paragraphs (b) and (c)). *See* proposed 11 CFR 9008.17. Paragraph (a) of section 9008.17 would define "convention expenses" generally in the same manner as it is currently defined in section 9008.7(a)(4). *See* proposed 11 CFR 9008.17(a). The thirteen specific permissible convention expenses that may be paid by convention committees currently listed in section 9008.7(a)(4)

would be moved to new section 9008.17(a) and (b).

Please note that under Alternative B, section 9008.7(a)(4) would be revised to cross reference 11 CFR 9008.17(a) and (b). Alternative B's version of section 9008.7(a)(4) is not set out in the regulation text that follows. Neither alternative would amend the prohibited uses of a convention committee's public funds listed in 11 CFR 9008.7(b).

B. Substantive Changes to Permissible Host Committee and Municipal Fund Expenses.

The Commission also proposes under both alternatives to revise the list of permissible expense purposes for host committees and municipal funds listed in current 11 CFR 9008.52(c)(1). The proposed revised list would appear in paragraph (b) of section 9008.52, and would be based substantially on the current list in section 9008.52(c)(1). However, the Commission proposes a number of changes intended to clarify and add specificity as to the range of permissible expenses.

The Commission proposes to combine current 11 CFR 9008.52(c)(1)(i) and (c)(1)(x) to state that host committees and municipal funds may pay expenses incurred for the purpose of promoting the suitability of the city as a convention site including those related to the selection committee's accommodations. *See* 11 CFR 9008.52(b)(1). The Commission seeks comment on this proposed revision, particularly whether the rule should be limited to such costs incurred prior to signing the site selection agreement.

The Commission proposes to narrow the focus of the provision concerning the use of an auditorium or convention center and construction-related services in current section 9008.52(c)(1)(v). *See* proposed 11 CFR 9008.52(b)(5). To that end, the revised purpose would contain a non-exhaustive list of permissible construction-related services and would make it clear that only construction-related services for the purpose of designing, creating, or installing the physical or technological infrastructure for the conduct of the convention are permissible. *Id.* It would also codify in the regulations some of the Commission's decisions made in connection with the 1996 conventions. Specifically, the Commission considered a number of television production expenses and determined that some were permissible host committee expenses and others were not. Many of the distinctions the Commission made were based on whether the particular expense was related to the infrastructure of the