

convention center. Another of the Commission's decisions related to 1996 reflected in the proposed section 9008.52(b)(5) was to permit host committees to pay telephone charges incurred by the convention committee.

The proposal would narrow the rule in current section 9008.52(c)(1)(vi) allowing for the provision of local transportation services. Whereas the current section allows for the provision of local transportation services without restriction, the Commission proposes to narrow this purpose to the host committee to provide such services only if they are made available to convention delegates and other individuals attending the convention. *See* proposed 11 CFR 9008.52(b)(6).

The rule in current section 9008.52(c)(1)(vii) allowing for the provision of law enforcement services would be expanded. In light of heightened security concerns involving high-profile events attended by large numbers of people, such as presidential conventions, the Commission proposes to broaden this purpose to permit the provision of "security services" as well as law enforcement services. *See* proposed 11 CFR 9008.52(b)(7). The Commission also proposes to delete the current requirement that only law enforcement services "necessary to assure orderly conventions" may be provided, in recognition of the fact that maintenance of orderly conventions is only one of many legitimate security concerns. *Id.* To codify another of the Commission's decisions in connection with the 1996 conventions, tickets, badges, and passes would be specifically mentioned as part of permitted security.

The provision related to hotel rooms in current 11 CFR 9008.52(c)(1)(ix) would also be clarified. This would codify another of the Commission's 1996 decisions. The provision would be clarified to permit host committees and municipal funds to provide hotel rooms to convention committees for whatever rate the host committee paid for the rooms, including at no charge or at a reduced rate based on the number of other rooms rented. *See* proposed 11 CFR 9008.52(c)(9).

The Commission proposes to eliminate the final purpose of "other similar convention related facilities and services," in current section 9008.52(c)(1)(xi), which has created confusion and could be improperly read to include a broad array of expenses that is inconsistent with a specific list of permitted expenses. The Commission seeks comment on this change.

The Commission seeks comment on the proposed changes to the list of

permissible host committee and municipal fund expense purposes. Specifically, does the proposed regulation provide sufficient guidance to inform convention committees, host committees, and municipal funds of what is permitted? Are other restrictions necessary to ensure that the permitted expenses are appropriate for host committees and municipal funds? Should other expense purposes be added to list? Are there any other aspects of the Commission's 1996 decisions that should be incorporated into the rules?

The Commission also proposes to add a new provision defining impermissible host committee and municipal fund expense purposes. This provision is proposed as paragraph (c) of section 9008.52 under Alternative A. It would include a general prohibition on providing anything of value to a convention committee, national political party committee, or any other political committee, except as expressly permitted under 11 CFR 9008.52(b)(1) and (5) through (8). *See* proposed 11 CFR 9008.52(c)(1). These purposes listed in paragraph (b) of proposed section 9008.52 are included in the exception because appropriate host committee and municipal fund expenses under these sections would involve the provision of something of value to the convention committee. The purposes listed in section 9008.52(b)(2) through (4) are not included in the exception because a host committee or municipal fund must not provide anything of value to the convention committee as it welcomes attendees to the convention city, facilitates commerce, or pays its own administrative expenses, which are the purposes listed in the cited provisions. The list of prohibited expense purposes includes another provision to prohibit the use of donations to host committee or municipal funds for expenses related to creating, producing, or directing the convention proceedings. *See* proposed 11 CFR 9008.52(c)(2). The proposal is intended to limit any of the permissible purposes so that if the expense would be prohibited by 11 CFR 9008.52(c)(2), then it would not be permitted even if it might also satisfy one of the permissible expense purposes in 11 CFR 9008.52(b). This proposal would codify one of the more significant of the Commission's decisions in connection with the 1996 conventions that the Commission cited as guidance in the 1999 rulemaking. *See Explanation and Justification for Public Financing of Presidential Primary and General Election Candidates*, 64 FR 49355,

49358 (Sept. 13, 1999). The Commission seeks comment on whether this proposal is sufficient to contain the non-Federal funds of host committees and municipal funds to uses consistent with the prohibitions and limitations imposed on the use of such funds by BCRA. Should additional expense purposes be added to the prohibited list? Do the listed prohibitions provide adequate guidance?

### *C. Regulatory Structure of Permissible Host Committee and Municipal Fund Expenses.*

Again, the Commission is considering two alternatives that differ as to the location for the provisions regarding permissible host committee and municipal fund expenses. Both reflect the proposed substantive changes to the host committee and municipal fund permitted expenses described above in the section entitled "Substantive Changes to Permissible Host Committee and Municipal Fund Expenses." Alternative A would involve providing a revised list of permissible host committee/municipal fund expenses in paragraph (b) of section 9008.52. *See* proposed 11 CFR 9008.52. Alternative B would involve providing substantially the same revised list of permissible host committee and municipal fund expenses, but would locate them in paragraphs (b) and (c) of new section 9008.17, rather than in 11 CFR 9008.52(b). Paragraph (b) of new section 9008.17 would list expenses that may be paid by convention committees, host committees, or municipal funds and paragraph (c) of 9008.17 would list expenses that may be paid by host committees or municipal funds, but shall not be paid by convention committees. Finally, the new provisions expressly prohibiting certain expenses to host committees and municipal funds would appear in 11 CFR 9008.52(c) under Alternative A and in 11 CFR 9008.17(d) under Alternative B.

Please note that under Alternative B, 11 CFR 9008.52 and 9008.53 would be revised to cross reference to the appropriate provisions of the new section 9008.17; the Alternative B version of sections 9008.52 and 9008.53 is not set out in the proposed regulations that follow. The Commission seeks comment on the two different organization schemes for permissible host committee and municipal fund expenses.

### **VII. Definition of "Local" Businesses, Labor Organizations, Other Organizations, and Individuals**

Commission regulations currently permit host committees and municipal