

accounting fund would provide several beneficial aspects for the convention committee. The CLAF would have a separate contribution limit from the National committee's limit but subject to the same limitations and restrictions of the National committee. May the Commission permit contributors to make one contribution of the amount specified in 2 U.S.C. 441a(a)(1)(B) or 2 U.S.C. 441a(a)(2)(B) to the political committees established and maintained by the same national political party and a second contribution up to that same amount to a CLAF? May the Commission permit such committees to accept such contributions consistent with 2 U.S.C. 441a(f) and 441i(a)(1) and (2)? Contributions raised for the CLAF and spent for the convention related legal and accounting costs would free up convention grant funds to cover political activities rather than being used to pay lawyers and accountants. And finally, funds raised for the CLAF would help ensure that sufficient resources were available to the convention committee for legal and compliance obligations. The Commission seeks comment on all issues raised by this proposal.

X. Effective Date

The Commission invites comment on what the effective date should be for any regulations it adopts relating to financing of the national nominating conventions. Specifically, considering that efforts related to the 2004 conventions are underway, should any or all changes to the Commission's regulations not become effective until the 2008 conventions? If certain changes are required by BCRA, which became effective on November 5, 2002, does the Commission have the legal authority under the Administrative Procedures Act or otherwise to postpone the effective date until after the 2004 conventions have been held? Can the Commission have final regulations effective, but not enforce them until the 2008 conventions? If the Commission took either of these actions, would the Commission be essentially suspending BCRA as it applies to convention financing until 2008 and, if so, does the Commission have the power legally to do so? Alternatively, should any arrangements that were memorialized in a written contract by a convention committee, host committee or municipal fund prior to the effective date of the regulatory changes be subject to the regulations in effect at the contract's execution? For example, in September 1999, the Commission declined to modify existing regulations regarding the division of expenses between

convention committees and host committees and stated it was doing so "given that the party committees have already entered into contractual agreements with the sites selected." *Explanation and Justification for Public Financing of Presidential Primary and General Election Candidates*, 64 FR 49355, 49358 (Sept. 13, 1999). If the Commission concludes that BCRA as a matter of law requires certain regulatory changes, and that therefore its existing regulations are no longer consistent with the statutory law, does the Commission nevertheless have the legal authority to decline to modify existing regulations or to postpone the effective date of new regulations? The Commission also seeks comments on alternative approaches to the effective date issue.

Certification of No Effect Pursuant to 5 U.S.C. 605(b) [Regulatory Flexibility Act]

The attached proposed rules, if promulgated, would not have a significant economic impact on a substantial number of small entities. The basis for this certification is that few, if any, small entities would be affected by these proposals, which apply only to presidential candidates and their campaign committees. Presidential candidates, their committees and national party committees are not small entities. Most of these presidential campaigns receive full or partial funding from the Federal Government, and are subsequently audited by the Commission. The Commission reviews these rules every four years to reflect its experience in the previous presidential campaign. These rules propose no sweeping changes, and are largely intended to simplify this process. Many expand committee options; several are technical; and others codify past Commission practice. Those few proposals that might increase the cost of compliance by small entities would not do so in such an amount as to cause a significant economic impact.

List of Subjects

11 CFR Part 104

Campaign funds, Political committees and parties, Reporting and recordkeeping requirements.

11 CFR Part 107

Campaign funds, Political committees and parties, Reporting and recordkeeping requirements.

11 CFR Part 110

Campaign funds, Political committees and parties.

11 CFR Part 9003

Campaign funds, Reporting and recordkeeping requirements.

11 CFR Part 9004

Campaign funds.

11 CFR Part 9008

Campaign funds, Political committees and parties, Reporting and recordkeeping requirements.

11 CFR Part 9032

Campaign funds.

11 CFR Part 9033

Campaign funds, Reporting and recordkeeping requirements.

11 CFR Part 9034

Campaign funds.

11 CFR Part 9035

Campaign funds.

11 CFR Part 9036

Administrative practice and procedure, Campaign funds, Reporting and recordkeeping requirements.

11 CFR Part 9038

Administrative practice and procedure, Campaign funds.

For the reasons set out in the preamble, it is proposed to amend Subchapters A, E and F of Chapter I of title 11 of the Code of Federal Regulations as follows:

PART 104—REPORTS BY POLITICAL COMMITTEES (2 U.S.C. 434)

1. The authority citation for Part 104 would continue to read as follows:

Authority: 2 U.S.C. 431(1), 431(8), 431(9), 432(i), 434, 438(a)(8) and (b), 439a, and 441a.

2. Section 104.5 would be amended by:

- a. Revising paragraph (b)(1)(i)(C);
 - b. Revising paragraph (b)(1)(ii); and
 - c. Revising paragraph (b)(2).
- Revisions are to read as follows:

§ 104.5 Filing dates (2 U.S.C. 434(a)(2)).

*	*	*	*	*	*
(b)	*	*	*		
(1)	*	*	*		
(i)	*	*	*		

(C) In lieu of the monthly reports due in November and December, a pre-election report shall be filed as prescribed at paragraph (a)(2)(i) of this section, a post-general election report shall be filed as prescribed at paragraph (a)(2)(ii) of this section, and a year-end report shall be filed no later than January 31 of the following calendar year.

(ii) If on January 1 of the election year, the committee does not anticipate