

to testify, it will hold a hearing on these proposed rules on October 1, 2003, at 9:30 a.m. Commenters wishing to testify at the hearing must so indicate in their written or electronic comments.

ADDRESSES: All comments should be addressed to Ms. Mai T. Dinh, Acting Assistant General Counsel, and must be submitted in either electronic or written form. Electronic mail comments should be sent to multicand03@fec.gov and must include the full name, electronic mail address and postal service address of the commenter. Electronic mail comments that do not contain the full name, electronic mail address and postal service address of the commenter will not be considered. If the electronic mail comments include an attachment, the attachment must be in the Adobe Acrobat (.pdf) or Microsoft Word (.doc) format. Faxed comments should be sent to (202) 219-3923, with printed copy follow-up to ensure legibility. Written comments and printed copies of faxed comments should be sent to the Federal Election Commission, 999 E Street, NW., Washington, DC 20463. Commenters are strongly encouraged to submit comments electronically to ensure timely receipt and consideration. The Commission will make every effort to post public comments on its Web site within ten business days of the close of the comment period. The hearing will be held in the Commission's ninth floor meeting room, 999 E Street, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Ms. Mai T. Dinh, Acting Assistant General Counsel, or Mr. Richard T. Ewell, Attorney, 999 E Street NW., Washington, DC 20463, (202) 694-1650 or (800) 424-9530.

SUPPLEMENTARY INFORMATION: The Commission is considering changes to several separate rules to address three different issues. First, the Commission proposes changes to its rules regarding the certification requirements and contribution limits of a political committee that qualifies as a multicandidate committee. Second, the Commission proposes updating the annual limit on contributions from person other than multicandidate committees to national party committees in order to conform to the change made by Congress in the Bipartisan Campaign Reform Act of 2002 ("BCRA"). Finally, the Commission proposes corrections to its rules on the annual limit on aggregate individual contributions in light of BCRA. These proposed rules would implement the provisions of the Federal Election Campaign Act of 1971, as

amended ("FECA" or the "Act"), 2 U.S.C. 431 *et seq.*

I. Proposed Changes to 11 CFR 102.2, 110.2 Multicandidate Committee Status

A. Proposed 11 CFR 110.2—Contributions by Multicandidate Political Committees

Section 110.2 sets forth contribution limits for multicandidate political committees in accordance with the limits established by 2 U.S.C. 441a(a)(2). Section 441a(a)(4) of the FECA provides that, "the term 'multicandidate committee' means a political committee which has been registered with [the Commission or Secretary of the Senate] for a period of not less than six months, which has received contributions from more than 50 persons, and except for any State political party organization, has made contributions to 5 or more candidates for Federal office." 2 U.S.C. 441a(a)(4). On the basis of this statutory provision, the Commission's rules at 11 CFR 1005.(e)(3) define a "multicandidate committee" as a political committee meeting these three requirements.

FECA, prior to BCRA, provided significantly higher limits on contributions to candidates for political committees with multicandidate status than for those without that status (\$5,000 per election versus \$1,000). BCRA raised and indexed for inflation the contribution limit for non-multicandidate committees (to \$2,000 per election), and due to the inflation adjustment such limit may eventually become higher than the limit imposed on multicandidate committees. *See* 2 U.S.C. 441a(c). Thus, this contribution limit itself one day may create a substantial disincentive for attaining multicandidate political committee status.

In addition, the limit on contributions to national party committees from multicandidate committees is \$15,000 per year (as it was prior to BCRA), yet BCRA increased the limit on contributions to the same national party committees from non-multicandidate committees to \$25,000 per year. 2 U.S.C. 441a(a)(2)(B) and (1)(B). Furthermore, the contribution limit for multicandidate committees is not indexed for inflation, which means that over time the current \$10,000 difference in the contribution limit to national party committees will increase. 2 U.S.C. 441a(c).

These statutory changes have raised the issue of whether political committees may opt out of multicandidate committee status. The

Commission preliminarily concludes that the definition of "multicandidate committee" in 2 U.S.C. 441a(a)(4) means that a political committee becomes a multicandidate committee by operation of law, not committee choice. Consequently the Commission proposes the addition of a sentence to 11 CFR 110.2(a) to state that a political committee automatically becomes a multicandidate committee at the time it satisfies the six-month waiting period, receives contributions from fifty or more contributors, and makes contributions to five or more candidates.

In the alternative, the Commission seeks comments on whether multicandidate political committee status may be considered optional. Commenters addressing this alternative are requested to provide the legal basis that would support this interpretation of 2 U.S.C. 441a(a)(4). Please note that the wording of the proposed rule in 11 CFR 110.2(a) does not implement this alternative.

B. Proposed 11 CFR 102.2(a)(3)—Certification of Multicandidate Status

To monitor compliance with the contribution limits, the Commission has required multicandidate political committees to file FEC Form 1M with the Commission to certify that they satisfied the criteria described above for becoming multicandidate political committees. Specifically, current 11 CFR 102.2(a)(3) requires that this certification be filed before a political committee may avail itself of the multicandidate committee contribution limits.

The Commission proposes to amend 11 CFR 102.2(a)(3) to eliminate the requirements that a political committee file Form 1M with the Commission before making any contributions under the increased contribution limits with respect to candidates in 11 CFR 110.2(b). Instead, § 102.2(a)(3) would specify that a political committee must certify its status as a multicandidate committee within ten days of satisfying the requirements of 11 CFR 1005.(e)(3). This certification provides clear notice of the political committee's status to the Commission and to recipients of contributions from the committee. The ten-day period corresponds to the usual time allotted for a political committee to report any changes to its Statement of Organization. *See* 11 CFR 102.2(a)(2). Thus, failure to file the form within the requisite time period would be a violation of the reporting requirements of 2 U.S.C. The Commission seeks comments on how it should address a failure to file the certification of multicandidate status. Specifically, how