

candidate fundraising, because the proposed rule will limit a Senator's ability to raise funds in the first four years of his or her term. For example, a contributor who intends to contribute \$37,500 every biennial period may be disinclined to contribute to a 2006 candidate during the 2004 election cycle if it counts against his or her 2004 aggregate biennial limit rather than the 2006 cycle limit. The Commission has considered these comments, but observes that it is required to respond to Congress's changes to section 441a(a)(3), and must give effect to Congress's deletion of the statutory provision on which the regulatory provision was based.

A commenter asserted that the Commission should not, before the effective date of the new rule, count contributions made to a candidate not running in the 2003–04 two-year period against the donor's aggregate limit for the cycle in which the candidate is running, asserting that such an application of the limit would “clearly be contrary to section 441a(a)(3)(A).” The Commission observes that under the previous language of section 110.5(c), a contribution made to a candidate not running in the 2003–04 two-year period was counted against the donor's aggregate limit for the two-year period in which the candidate is running. This comment suggests, in effect, that the Commission ignore, or suspend the operation of, the previous language of section 110.5(c) for contributions made before January 1, 2004. The Commission declines to either ignore or suspend the operation of the previous language of section 110.5(c) for contributions made before January 1, 2004.

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

The attached rules will not have a significant economic impact on a substantial number of small entities. The basis of this certification is that State and local party committees of the two major political parties and most other political committees are not small entities under 5 U.S.C. 601 because they are not small businesses, small organizations, or small governmental jurisdictions. Further, individual citizens operating under these rules are not small entities.

To the extent that any persons subject to these rules may fall within the definition of “small entities,” these rules do not impose a significant economic impact on those persons. These rules do not change the criteria for status as a multicandidate

committee; they merely confirm that this status acquired automatically when the existing criteria are met. The one modified filing requirement merely replaces a similar filing requirement that is removed, and no new compliance efforts are required. The remainder of the final rules are conforming changes updating existing regulations to new contribution limits set by Congress. As such, these updates require no new or increased disclosure, or other requirements that would increase compliance costs.

List of Subjects

11 CFR Part 102

Political committees and parties, Reporting and recordkeeping requirements.

11 CFR Part 110

Campaign funds, Political committees and parties.

■ For the reasons set out in the preamble, the Federal Election Commission is amending subchapter A of chapter 1 of title 11 of the Code of Federal Regulations as follows:

PART 102—REGISTRATION, ORGANIZATION, AND RECORDKEEPING BY POLITICAL COMMITTEES (2 U.S.C. 433)

■ 1. The authority citation for part 102 continues to read as follows:

Authority: 2 U.S.C. 432, 433, 434(a)(11), 438(a)(8), 441d.

■ 2. Section 102.2 is amended by revising paragraph (a)(3) to read as follows:

§ 102.2 Statement of organization: Forms and committee identification number (2 U.S.C. 433(b), (c)).

(a) * * *

(3) A committee shall certify to the Commission that it has satisfied the criteria for becoming a multicandidate committee set forth at 11 CFR 100.5(e)(3) by filing FEC Form 1M no later than ten (10) calendar days after qualifying for multicandidate committee status.

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PART 110—CONTRIBUTION AND EXPENDITURE LIMITATIONS AND PROHIBITIONS

■ 3. The authority citation for part 110 continues to read as follows:

Authority: 2 U.S.C. 431(8), 431(9), 432(c)(2), 437d, 438(a)(8), 441a, 441b, 441d, 441e, 441f, 441g, 441h, and 441k.

■ 4. Section 110.1 is amended by:

■ a. revising paragraph (c)(3); and

■ b. revising the introductory language in paragraph (f).

The revisions and additions read as follows:

§ 110.1 Contributions by persons other than multicandidate political committees (2 U.S.C. 441a(a)(1)).

* * * * *

(c) * * *

(3) Each recipient committee referred to in 11 CFR 110.1(c)(2) may receive up to the \$25,000 limitation from a contributor, but the limits of 11 CFR 110.5 shall also apply to contributions made by an individual.

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(f) *Contributions to candidates for more than one Federal office.* If an individual is a candidate for more than one Federal office, a person may make contributions which do not exceed \$2,000 to the candidate, or his or her authorized political committees for each election for each office, as long as—

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■ 5. Section 110.2 is amended by revising paragraph (a)(1) to read as follows:

§ 110.2 Contributions by multicandidate political committees (2 U.S.C. 441a(a)(2)).

(a)(1) *Scope.* This section applies to all contributions made by any multicandidate political committee as defined in 11 CFR 100.5(e)(3). See 11 CFR 102.2(a)(3) for multicandidate political committee certification requirements. A political committee becomes a multicandidate committee at the time the political committee meets the requirements of 11 CFR 100.5(e)(3) or becomes affiliated with an existing multicandidate committee, whether or not the political committee has certified its status as a multicandidate committee with the Commission in accordance with 11 CFR 102.2(a)(3).

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■ 6. The section heading for section 110.5 is amended by removing “bi-annual” and adding “biennial” in its place.

■ 7. Section 110.5 is amended by revising paragraph (c) to read as follows:

§ 110.5 Aggregate biennial contribution limitation for individuals (2 U.S.C. 441a(a)(3)).

* * * * *

(c)(1) Contributions made on or after January 1, 2004. Any contribution subject to this paragraph (c)(1) to a candidate or his or her authorized committee with respect to a particular election shall be considered to be made during the two-year period described in paragraph (b)(1) of this section in which the contribution is actually made,