

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

FEDERAL ELECTION COMMISSION

11 CFR Part 104

[Notice 1996-19]

Recordkeeping and Reporting by Political Committees: Best Efforts

AGENCY: Federal Election Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Election Commission requests comments on proposed changes to its regulations requiring treasurers of political committees to exercise best efforts to obtain and report the complete identification of each individual who contributes more than \$200 per calendar year. The proposed revisions would modify the required statement which must accompany solicitations for contributions. The draft rules which follow do not represent a final decision by the Commission. Further information is provided in the supplementary information which follows.

DATES: Comments must be received on or before December 6, 1996.

ADDRESSES: Comments must be made in writing and addressed to: Ms. Susan E. Propper, Assistant General Counsel, 999 E Street, N.W., Washington, D.C. 20463.

FOR FURTHER INFORMATION CONTACT: Ms. Susan E. Propper, Assistant General Counsel, (202) 219-3690 or (800) 424-9530.

SUPPLEMENTARY INFORMATION: The Commission is publishing today the text of proposed revisions to its regulations at 11 CFR 104.7(b)(1) and (3), which set forth steps needed to ensure that political committees use their best efforts to obtain and report the names, addresses, occupations and employers of individuals who contribute more than \$200 per calendar year. These regulations implement section 432(i) of the Federal Election Campaign Act of 1971, as amended ("the Act" or "FECA"). 2 U.S.C. 432(i).

The FECA specifies that reports filed by political committees disclose "the identification of each * * * person

(other than a political committee) who makes a contribution to the reporting committee * * * whose contribution or contributions [aggregate over \$200 per calendar year] * * * together with the date and amount of any such contribution." 2 U.S.C. 434(b)(3)(A). For an individual, identification means his or her full name, mailing address, occupation and employer. 2 U.S.C. 431(13).

The Commission's current regulations at 11 CFR 104.7(b)(1) implement these statutory requirements by requiring the inclusion of the following statement on all solicitations: "Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of \$200 in a calendar year." Recently, the Court of Appeals for the D.C. Circuit concluded that this mandatory statement is inaccurate and misleading. *Republican National Committee v. Federal Election Commission*, 76 F.3d 400, 406 (D.C. Cir. 1996), *petition for cert. filed*, _____ U.S.L.W. _____ (U.S. Sept. 9, 1996) (No. 96-____). The court pointed out that the FECA only requires committees to use their best efforts to collect the information and to report whatever information donors choose to provide. Other provisions of the "best efforts" regulations were upheld by the court.

Consequently, the Commission proposes revising paragraph (b)(1) of section 104.7 by requiring political committees to include in their solicitations an accurate statement of the statutory requirements. Either of the following two examples would satisfy this requirement, but would not be the only allowable statements: 1) "Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 in a calendar year." 2) "To comply with Federal law, we must use best efforts to obtain, maintain, and submit the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 per calendar year." Comments are sought, however, on whether it would be preferable to simply require all political committees to use one or the other of these two formulations. Please note that statements such as "Federal law

requires political committees to ask for this information," without more, do not provide contributors with a complete statement regarding Federal law, and hence, do not meet the requirements of proposed 11 CFR 104.7(b)(1).

The Commission also proposes revising paragraph (b)(3) of section 104.7 to indicate that separate segregated funds are expected to report contributor information in the possession of their connected organizations. This would include corporations (including corporations without capital stock), labor organizations, trade associations, cooperatives and membership organizations. In some situations, it may be more efficient for separate segregated funds to obtain the missing contributor information from their connected organizations than from the contributors.

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

The attached proposed rules will not, if promulgated, have a significant economic impact on a substantial number of small entities. The basis for this certification is that any small entities affected are already required to comply with the requirements of the Act in these areas.

List of Subjects in 11 CFR Part 104

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

For the reasons set out in the preamble, it is proposed to amend Subchapter A, 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 be revised to read as follows:

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

2. Section 104.7 would be amended by revising paragraphs (b)(1) and (b)(3) to read as follows:

§ 104.7 Best efforts (2 U.S.C. 432(i)).

* * * * *

(b) * * *

(1) All written solicitations for contributions include a clear request for

the contributor's full name, mailing address, occupation and name of employer, and include an accurate statement of Federal law regarding the collection and reporting of individual contributor identifications, such as: "Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 in a calendar year," or "To comply with Federal law, we must use best efforts to obtain, maintain, and submit the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 per calendar year." The request and statement shall appear in a clear and conspicuous manner on any response material included in a solicitation. The request and statement are not clear and conspicuous if they are in small type in comparison to the solicitation and response materials, or if the printing is difficult to read or if the placement is easily overlooked.

* * * * *

(3) The treasurer reports all contributor information not provided by the contributor, but in the political committee's possession, or in its connected organization's possession, regarding contributor identifications, including information in contributor records, fundraising records and previously filed reports, in the same two-year election cycle in accordance with 11 CFR 104.3; and

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Dated: October 4, 1996.

Lee Ann Elliott,

Chairman, Federal Election Commission.

[FR Doc. 96-25921 Filed 10-8-96; 8:45 am]

BILLING CODE 6715-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[CO-24-96, CO-25-96, CO-26-96]

RIN 1545-AU31, 1545-AU32, 1545-AU33

Consolidated Returns—Limitations on the Use of Certain Losses and Deductions; Regulations Under Section 1502 of the Internal Revenue Code of 1986; Limitations on Net Operating Loss Carryforwards and Certain Built-in Losses and Credits Following an Ownership Change of a Consolidated Group; Regulations Under Section 382 of the Internal Revenue Code of 1986; Application of Section 382 in Short Taxable Years and With Respect to Controlled Groups; Hearing Cancellation

AGENCY: Internal Revenue Service, Treasury.

ACTION: Cancellation of notice of public hearing on proposed rulemaking.

SUMMARY: This document provides notice of cancellation of a public hearing on proposed regulations relating to deductions and losses of members; limitations on net operating loss carryforwards and certain built-in losses and credits following an ownership change with respect to consolidated groups; and the application of section 382 in short taxable years and with respect to controlled groups. The public hearing originally scheduled for October 17, 1996, beginning at 10:00 a.m. is cancelled.

FOR FURTHER INFORMATION CONTACT: Evangelista C. Lee of the Regulations Unit, Assistant Chief Counsel (Corporate), (202) 622-7190, (not a toll free number).

SUPPLEMENTARY INFORMATION: The subject of the public hearing is proposed amendments to the Income Tax Regulations under sections 25, 382 and 1502 of the Internal Revenue Code. A notice of public hearing appearing in the Federal Register on Thursday, June 27, 1996 (61 FR 33393), (61 FR 33395), and (61 FR 33391), announced that the public hearing on proposed regulations under sections 25, 382, 1502 of the Internal Revenue Code would be held on Thursday, October 17, 1996, beginning at 10:00 a.m., in the NYU Classroom, Room 2615, Internal Revenue Building, 1111 Constitution Avenue, NW, Washington, D.C. 20224.

The public hearing scheduled for Thursday, October 17, 1996, is cancelled.

Michael L. Slaughter,

Acting Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

[FR Doc. 96-25943 Filed 10-8-96; 8:45 am]

BILLING CODE 4830-01-U

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[OH101-1b; FRL-5631-4]

Approval and Promulgation of Implementation Plans; Ohio

AGENCY: United States Environmental Protection Agency (USEPA).

ACTION: Proposed rule.

SUMMARY: The USEPA is proposing to approve a Sulfur Dioxide State Implementation Plan (SIP) revision request submitted by the State of Ohio on July 18, 1996. This requested revision allows Ohio to revert to an emission limit from the Federal Implementation Plan for Ohio Edison's Sammis plant and tightens the emission limit for Ohio Edison's Toronto plant. In the Final Rules section of this Federal Register, USEPA is approving the State's SIP revision as a direct final rule without prior proposal because the agency views this as a noncontroversial SIP revision and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this proposed rule, no further activity is contemplated in relation to this rule. However, if the USEPA receives significant adverse comments which have not been previously addressed, the direct final rule will be withdrawn and the public comments received will be addressed in a subsequent final rule based on this proposed rule. The USEPA will not institute a second comment period on this action. Any parties interested in commenting on this action should do so at this time.

DATES: Comments must be received in writing by November 8, 1996.

ADDRESSES: Copies of the revision request are available for inspection at the following address: U.S. Environmental Protection Agency, Region 5, Air and Radiation Division, 77 West Jackson Boulevard, Chicago, Illinois 60604. (It is recommended that you telephone Fayette Bright at (312)