



FACSIMILE COVER SHEET

CONFIDENTIAL AND PRIVILEGED

If there are any problems with this transmission, please call:

 *Sender's name and phone number

607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011
PHONE: 202.628.6600
FAX: 202.434.1690
www.perkinscoie.com

DATE: April 20, 2004 COVER SHEET & 2 PAGE(S)CLIENT NUMBER: 42009-0001-000000RETURN TO: (NAME) Marcia J. Scott (EXT.) 752 (ROOM NO.) 800ORIGINAL DOCUMENT(S) WILL BE: SENT TO YOU HELD IN OUR FILES

SENDER:	TELEPHONE:	FACSIMILE:
Robert Bauer	(202) 434-1602	(202) 434-1690

RECIPIENT:	COMPANY:	TELEPHONE:	FACSIMILE:
Larry Norton, General Counsel	Federal Election Commission	(202) 694-1650	(202) 219-3923
Ellen Weintraub	Federal Election Commission	(202) 694-1035	(202) 219-8472
Bradley A. Smith	Federal Election Commission	(202) 694-1011	(202) 219-8493
Michael E. Toner	Federal Election Commission	(202) 694-1045	(202) 219-8494
Danny L. McDonald	Federal Election Commission	(202) 694-1020	(202) 219-8436
David M. Mason	Federal Election Commission	(202) 694-1050	(202) 219-0147
Scott E. Thomas	Federal Election Commission	(202) 694-1055	(202) 219-8459

RE: *NPRM re Political Committee Status*

2004 APR 20 P 4: 25
 FEDERAL ELECTION
 COMMISSION
 OFFICE OF GENERAL
 COUNSEL

This Fax contains confidential, privileged information intended only for the intended addressee. Do not read, copy or disseminate it unless you are the intended addressee. If you have received this Fax in error, please email it back to the sender at perkinscoie.com and delete it from your system or call us (collect) immediately at 202.628.6600, and mail the original Fax to: Perkins Coie LLP, 607 Fourteenth Street, N.W., Washington, D.C. 20005-2011.

ANCHORAGE · BEIJING · BELLEVUE · BOISE · CHICAGO · DENVER · HONG KONG · LOS ANGELES
MENLO PARK · OLYMPIA · PORTLAND · SAN FRANCISCO · SEATTLE · WASHINGTON, D.C.

Perkins Coie LLP (Perkins Coie LLC in Illinois)



April 20, 2004

607 Fourteenth Street N.W.
Washington, D.C. 20005-2011

PHONE: 202.628.6600

FAX: 202.434.1690

www.perkinscoie.com

VIA FACSIMILE

Lawrence H. Norton
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 20 P 4:25

Re: NPRM regarding Political Committee Status

Dear Mr. Norton:

I am writing this letter to address a question that you raised at the hearing and that time did not permit to be answered fully on an important point. This letter constitutes, of course, a fully disclosable *ex parte* communication. It is submitted in the belief that, in light of the sensitive and complex issues present by this rulemaking within a compressed time period, this additional response may be useful to the Commission in gathering all relevant information and views.

In your brief questioning of the first panel on the second day, you referred to a point I had stressed on behalf of ACT: the disruption to the regulated community of any changes in the rules at this stage of this election cycle. This point can be effectively illustrated by consideration of the effects of proposed changes to the allocation rules affecting registered political committees like ACT that comply with section 106.6 of the FEC's regulations. As you know, committees operating under these rules manage their allocation ratios on a cycle-wide basis. They may begin with the ratio in effect at the conclusion of the preceding cycle, or, alternatively, estimate a ratio based on their projected activities; but in either case, they are expected to adjust the ratio in light of experience during the cycle. 11 C.F.R. §§ 106.6(c)(1), (2).

The proposed rules would significantly alter the formulas for the calculation of the allocation ratios. Those changes as proposed would include the establishment of minimum percentages for the federal share. It seems beyond question that those changes would work an extraordinary inequity on committees that have operated through three-quarters of this cycle under the current rules. No change proposed by the Commission more graphically shows the effect of rules changes so late in a cycle: here we have a rule keyed to a cycle, and yet the proposed rules would substantially revise the rule in the same cycle and would become effective within 4 months of its conclusion. By contrast, when the FEC last promulgated significant revisions of the allocation rules in 1990, it transmitted final rules to the Congress in June of 1990, but those rules did not become effective until the next cycle, on January 1, 1991.

[42009-0001/DA041110.001]

ANCHORAGE · BEIJING · BELLEVUE · BOISE · CHICAGO · DENVER · HONG KONG · LOS ANGELES
MENLO PARK · OLYMPIA · PORTLAND · SAN FRANCISCO · SEATTLE · WASHINGTON, D.C.

Perkins Coie LLP (Perkins Coie LLC in Illinois)

Lawrence H. Norton
Federal Election Commission
April 20, 2004
Page 2

Very truly yours,



Robert F. Bauer

RFB/mjs

cc: Commissioners / Federal Election Commission
Judith L. Corley
Lawrence E. Gold