

2. In § 1735.2, the following definitions are added in alphabetical order to read as follows:

**§ 1735.2 Definitions.**

\* \* \* \* \*

*Mobile telecommunications service* means the transmission of a radio communication voice service between mobile and land or fixed stations, or between mobile stations.

\* \* \* \* \*

*Public switched network* means any common carrier switched network, whether by wire or radio, including local exchange carriers, interexchange carriers, and mobile telecommunications service providers, that use the North American Numbering Plan in connection with the provision of switched services.

*RUS* means the Rural Utilities Service, an agency of the United States Department of Agriculture, successor to the Rural Electrification Administration.

\* \* \* \* \*

3. Amend § 1735.10 by:

A. Revising paragraph (b);  
B. Redesignating paragraphs (c), (d), and (e) as (d), (e), and (f), respectively; and

C. Adding a new paragraph (c).  
This revision and addition read as follows:

**§ 1735.10 General.**

\* \* \* \* \*

(b) RUS will not make hardship loans, RUS cost-of-money loans, or RTB loans for any wireline local exchange service or similar fixed-station voice service that, in RUS' opinion, is inconsistent with the borrower achieving the requirements stated in the State's telecommunication modernization plan within the time frame stated in the plan (see 7 CFR part 1751, subpart B), unless RUS has determined that achieving the requirements as stated in such plan is not technically or economically feasible.

(c) A borrower applying for a loan to finance mobile telecommunication services shall be considered to be a participant in the State's telecommunication modernization plan so long as the loan funds are not used in a manner that, in the opinion of the Administrator, is inconsistent with the borrower achieving the goals set forth in the plan.

\* \* \* \* \*

4. Amend § 1735.12 by:

A. Revising paragraph (c) introductory text; and

B. Adding new paragraphs (d) and (e).  
The revision reads as follows:

**§ 1735.12 Nonduplication.**

\* \* \* \* \*

(c) RUS shall consider the following criteria for any wireline local exchange service or similar fixed-station voice service in determining whether such service is reasonably adequate:

\* \* \* \* \*

(d) RUS shall consider the following criteria for any of mobile telecommunications service in determining whether such service is reasonably adequate:

(1) The extent to which area coverage is being provided as described in 7 CFR 1735.11.

(2) Clear and reliable call transmission is provided with sufficient channel availability.

(3) The mobile telecommunications service signal strength is at least -85dBm (decibels expressed in milliwatts).

(4) The mobile telecommunications service is interconnected with the public switched network.

(5) Mobile 911 service is available to all subscribers, when requested by the local government entity responsible for this service.

(6) No Federal or State regulatory commission having jurisdiction has determined that the quality, availability, or reliability of the service provided is inadequate.

(7) Mobile telecommunications service is not provided at rates which render the service unaffordable to a significant number of rural persons.

(8) Any other criteria the Administrator determines to be applicable to the particular case.

(e) RUS does not consider mobile telecommunications service a duplication of existing wireline local exchange service or similar fixed-station voice service. RUS may finance mobile telecommunications systems designed to provide eligible services in rural areas under the Rural Electrification Act even though the services provided by the system may incidentally overlap services of existing mobile telecommunications providers.

**§ 1735.14 [Amended]**

5. Amend § 1735.14 by:

A. Removing paragraph (c)(1); and  
B. Redesignating paragraphs (c)(2) and (c)(3) as (c)(1) and (c)(2) respectively.

6. Amend § 1735.17 by:

A. Removing paragraph (c)(3);  
B. Redesignating paragraphs (c)(4) and (c)(5) as (c)(3) and (c)(4), respectively, redesignating paragraph (d) as paragraph (e); and

C. Adding new paragraph (d);  
The addition reads as follows:

**§ 1735.17 Facilities Financed.**

\* \* \* \* \*

(d) Generally, RUS will not make a loan to another entity to provide the same telecommunications service in an area served by an incumbent RUS telecommunications borrower providing such service. RUS may, however, consider an application for a loan to provide the same type of service being provided by an incumbent RUS borrower if the Administrator determines that the incumbent borrower is unable to meet its obligations to the government, including the obligation to provide service set forth in its loan documents and to repay its loans.

Dated: July 5, 2000.

**Jill Long Thompson,**

*Under Secretary, Rural Development.*

[FR Doc. 00-17474 Filed 7-10-00; 8:45 am]

BILLING CODE 3410-15-P

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**FEDERAL ELECTION COMMISSION**

**11 CFR Part 104**

[Notice 2000-15]

**Election Cycle Reporting by Authorized Committees**

**AGENCY:** Federal Election Commission.

**ACTION:** Final rules and transmittal of regulations to Congress.

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**SUMMARY:** The Federal Election Commission is revising its regulations to require authorized committees of Federal candidates to aggregate, itemize and report all receipts and disbursements on an election-cycle basis rather than on a calendar-year-to-date basis. Beginning with reporting periods that start on or after January 1, 2001, authorized committees must report their receipts and disbursements on an election-cycle basis. Please note that this change affects only authorized committees of Federal candidates and does not affect unauthorized committees or other persons. This requirement reflects recent changes in the Federal Election Campaign Act of 1971. The intent of these rules is to simplify recordkeeping and reporting requirements for authorized committees of Federal candidates and to better disclose receipts and disbursements that occur during an election cycle. Further information is provided in the supplementary information that follows.

**DATES:** Further action, including the publication of a document in the **Federal Register** announcing an effective date, will be taken after these regulations have been before Congress for 30 legislative days pursuant to 2 U.S.C. 438(d).

**FOR FURTHER INFORMATION CONTACT:** Ms. Rosemary Smith, Assistant General Counsel, or Cheryl Fowle, Attorney, 999 E Street, NW, Washington, DC 20463, (202) 694-1650 or (800) 424-9530.

**SUPPLEMENTARY INFORMATION:** The Commission is publishing today the final text of revisions to the regulations at 11 CFR 104.3, 104.7, 104.8 and 104.9. These rules implement section 641 of Public Law 106-58 (Pub. L. No. 106-58, 106th Cong. 1st Sess., § 641, 113 Stat. 430, 477 (1999)), which amended section 434(b) of the Federal Election Campaign Act of 1971, 2 U.S.C. 431 *et seq.* ("FECA" or "the Act"), to require, *inter alia*, that the Commission require the authorized committees of Federal candidates to aggregate and report their receipts and disbursements on an election-cycle-to-date basis, rather than a calendar-year-to-date basis, as was previously required. The goals of the 1999 amendment to the FECA and the new rules are to simplify recordkeeping and reporting for authorized committees by itemizing contributions, other receipts, and disbursements on the same election-cycle-to-date basis, and to provide the public with more relevant information for the current election cycle. 145 Cong. Rec. E1896-02, September 17, 1999 (statement of Hon. William M. Thomas). The 1999 amendment to the FECA requires these rules to be effective for reports covering periods after December 31, 2000.

Section 438(d) of Title 2, United States Code requires that any rules or regulations prescribed by the Commission to carry out the provisions of Title 2 of the United States Code be transmitted to the Speaker of the House of Representatives and the President of the Senate 30 legislative days before they are finally promulgated. These regulations were transmitted to Congress on July 6, 2000.

### Explanation and Justification

The Commission initiated this rulemaking by publishing a Notice of Proposed Rulemaking ("NPRM") in the **Federal Register** on May 3, 2000, 65 FR 25672 (May 3, 2000). The NPRM contained proposed rules at 11 CFR 104.3, 104.8 and 104.9 requiring authorized committees of Federal candidates to itemize and report their receipts and disbursements on an election cycle basis. The proposed rules used the definition of election cycle at 11 CFR 100.3(b), under which the election cycle begins the day after the general election for a seat or office and ends on the day of the next general election for that seat or office. The NPRM also contained two alternative

approaches to the definition of election cycle. Under alternative one, the election cycle, for reporting purposes, would begin on January 1 of the year following the general election and end on December 31 of the year of the next general election. Under alternative two, the election cycle would begin twenty-one days after the general election for a seat or office and would end twenty days after the next general election for that seat or office. Additionally, under the second alternative, the contribution limit regulations at 11 CFR 110.1 and 110.2 would have been revised to require that undesignated contributions made up until the twentieth day after the election would aggregate to the contributor's contribution limit for the election that was just held.<sup>1</sup>

The comment period ended on June 2, 2000. The Commission received two comments from the Project On Government Oversight and Eliza Newlin Carney, a staff correspondent for the National Journal. One commenter stated that it has studied the problems with reviewing and searching FEC records and has found it very difficult to determine the amounts of individual contributions reported for a specific election. The commenter stated that the proposed rules directly correct the problem and that it fully supports their implementation. The second commenter was concerned that the rulemaking would eliminate year-end reports. The revised rules do not change the filing of year-end reports, or the filing frequency of any other reports, which are mandated by § 434 of the FECA. The rules simply alter the manner in which authorized committees aggregate and disclose their receipts and disbursements within the required reports. In addition, a comment from the Internal Revenue Service ("IRS") stated that the proposed rules are not inconsistent with IRS regulations or the Internal Revenue Code.

The final rules are identical to the rules proposed in the NPRM. Revisions to 11 CFR 104.3 state that the specified contents of authorized committee's reports must be disclosed for the reporting period and the election-cycle-to-date. Section 104.7 is being amended to change references to authorized committee's itemizations of contributions aggregating in excess of \$200 per calendar year to \$200 per election cycle and to provide authorized committees with examples of clear statements requesting contributor information, which are required on written solicitations. Sections 104.8 and

104.9 are being revised to require authorized committees to provide identifying information for contributors whose contributions total over \$200 within the election cycle and for persons to whom expenditures and other disbursements exceed \$200 within the election cycle.

### Section 104.3 Contents of Reports (2 U.S.C. 434(b), 439a)

The Commission's regulations at 11 CFR 104.3 set forth the required contents of reports of receipts and disbursements. Section 104.3 is being revised to state that the specified contents of authorized committee's reports must be disclosed for the reporting period and for the election cycle-to-date rather than for the reporting period and calendar year-to-date. Please note that this amendment to the FECA does not affect unauthorized committees and the Commission is not issuing new rules modifying the calendar year reporting system they currently use, or changing the forms they file at this time.<sup>2</sup>

The introductory language of paragraph (a) is being revised to state that authorized committees must disclose their receipts for the reporting period and for the election cycle.

Paragraph (a)(3) is being revised to state that authorized committees must report the amount of each category of receipt listed in that paragraph for the reporting period and the election cycle.

A parenthetical statement is being added to paragraphs (a)(4)(i) to require authorized committees to identify each contributor whose election cycle-to-date total contributions exceeds \$200.<sup>3</sup> Parenthetical statements are also being added to paragraphs (a)(4)(v) and (vi) to require authorized committees to identify each person whose election-cycle-to-date total rebates, refunds or other offsets to operating expenditures, or total dividends, interest or other

<sup>2</sup> On March 10, 2000, the Commission sent a legislative recommendation to Congress recommending a clarifying amendment that would remove the election cycle language from 2 U.S.C. 434(b)(6)(B)(iii) and (v) because 2 U.S.C. 434(b)(6)(B) applies solely to unauthorized committees.

<sup>3</sup> The Commission notes that publicly funded Presidential candidates are required to provide in their matching fund submissions, contributor information for contributors whose aggregate contributions exceed \$200 per calendar year. 11 CFR 9036.1(b)(1)(ii). Since the statutory amendments did not alter the matching fund submission process, no changes are being made to the Commission's matching fund regulations applicable to the 2000 election or future elections.

<sup>1</sup> Issues concerning election cycle are discussed below.

receipts provided to the authorized committee exceeds \$200.

Similarly, paragraph (b) is being revised to state that authorized committees must disclose their disbursements for the reporting period and for the election cycle.

Paragraph (b)(2) is being amended to state that authorized committees must report the amount of each category of disbursement listed in this paragraph for the reporting period and the election cycle.

Paragraph (b)(4)(i) is being revised to require authorized committees to identify each person to whom expenditures in an aggregate amount exceeding \$200 within the election cycle are made to meet the authorized committee's operating expenditures.<sup>4</sup>

Paragraph (b)(4)(vi) is being reworded to require authorized committees to identify each person who has received any disbursements not otherwise itemized under paragraph (b)(4)(i), (ii), (iii), (iv) or (v) aggregating in excess of \$200 within the election cycle.

Paragraph (i) is being revised to require that all reports filed by authorized committees under section 104.5 be cumulative for the election cycle rather than for the calendar year.

New paragraph (k) is being added to ensure the accurate reporting of election cycle-to-date activity for those candidates who are in mid-election cycle on January 1, 2001, when these regulations take effect. While receipts and disbursements made between November 8, 2000 (the day after the general election) and December 31, 2000, will be reported in the year-to-date totals for 2000 in the post-general election report and the year-end report, under new paragraph (k) of 11 CFR 104.3, these amounts must also be included in the election cycle-to-date aggregation totals that are reported beginning in 2001. Similarly, some candidates for the U. S. Senate in 2002 and 2004 and possibly some Presidential candidates for the 2004 election may have two, three, four or

more years of previously reported receipts and disbursements. These amounts must also be included in the election-cycle-to-date figures reported on the first report covering financial activity occurring in 2001.

On the Detailed Summary Page of each report filed for the first election cycle in which these rules are in effect, election-cycle-to-date totals should be reported for each category of receipts (except itemized and unitemized contributions from individuals) and each category of disbursements. Please note that the Commission is creating a one-time worksheet to assist authorized committees in aggregating election-cycle-to-date data because this might require some authorized committees to aggregate several years of previously reported receipts and disbursements. However, the Commission is not making any changes to either the Detailed Summary Page, or the schedules of contributions or expenditures, that would necessitate the filing of amendments to reports covering pre-2001 financial activity.

The Commission received no comments on the proposed amendments to 11 CFR 104.3.

#### *Section 104.7 Best Efforts (2 U.S.C. 432(i))*

Under 11 CFR 104.7, treasurers are required to exercise best efforts to obtain, maintain and report certain identifying information for contributors whose total contributions exceed \$200 in a calendar year. An amendment to paragraph (b) of 11 CFR 104.7 revises the references to \$200 in a calendar year to \$200 in an election cycle with regard to contributions itemized by authorized committees. This revision is consistent with the changes to the regulations at 11 CFR 104.3 requiring authorized committees to itemize contributions from any contributor aggregating in excess of \$200 per election cycle. Paragraph (b) of 11 CFR 104.7 requires written solicitations to contain a clear statement requesting contributor information. The previous regulations gave two examples of clear statements. The Commission is adding two new examples at 11 CFR 104.7(b)(1)(i)(B) for authorized committees.

Paragraph (b)(3) of 11 CFR 104.7 requires political committees to disclose contributor information not supplied by the contributor if the political committees have the information in their records or reports filed within the same "two-year election cycle." Paragraph (b)(4)(ii) of 11 CFR 104.7 requires that if political committees file an amendment containing contributor information received after contributions

are disclosed, they must amend every report containing itemized contributions from those contributors for the "two-year election cycle." The Commission sought comments on possibly revising paragraphs (b)(3) and (b)(4)(ii) to require authorized committees to supply information found in reports filed within the entire election cycle and to amend all reports disclosing itemized contributions from the contributor during the election cycle. Such a revision would require authorized committees to maintain copies of records and reports for the entire cycle (two, four or six years for House, Presidential and Senate candidates, respectively). Since the FECA requires political committees to maintain records and reports for a period of three years (2 U.S.C. 432(d)), the Commission has decided not to revise paragraph (b)(3) and (b)(4)(ii). For purposes of further clarification, "two-year election cycle" means the most recent two years in the current election cycle.

The Commission received no comments on this section.

#### *Section 104.8 Uniform Reporting of Receipts*

Section 104.8(a) requires a political committee, if it knows an individual contributor's name has changed since an earlier contribution reported during the calendar year, to note the exact name or address previously used with the first reported contribution from that contributor subsequent to the name changes. A parenthetical is being added to note that an authorized committee is required to provide such information if it knows a contributor's name has changed within the election cycle.

A new parenthetical is being added to paragraph (b) of 11 CFR 104.8 to require authorized committees to aggregate contributions from an individual on an election cycle basis rather than on the calendar year basis.

The Commission received no comments on this section.

#### *Section 104.9 Uniform Reporting of Disbursements*

Paragraph (a) of 11 CFR 104.9 is being revised to require authorized committees to report certain identifying information for each person to whom disbursements totaling over \$200 are made within the election cycle, rather than within the calendar year, as previously required.

Revised paragraph (b) of 11 CFR 104.9 requires authorized committees to disclose certain identifying information about any recipient to whom an expenditures totaling over \$200 are made within the election cycle, rather

<sup>4</sup> While the amendment requires all disbursements including operating expenditures to be aggregated and reported on an election-cycle basis, it does not require that operating expenditures be itemized on an election-cycle basis. Thus, the effect of the amendment is that operating expenditures would be reported on the summary pages on an election-cycle basis and itemized on Schedule B on a calendar-year basis. On March 10, 2000, the Commission submitted to Congress a legislative recommendation that Congress amend the FECA by requiring operating expenditures to be itemized on an election cycle basis rather than on a per calendar year basis. The final rules proceed on the assumption that Congress will pass an amendment to the Act to correct this inconsistency prior to the January 1, 2001, effective date required by Public Law 106-58.

than for the calendar year, as was previously required.

The Commission received no comments on this section.

### Definition of Election Cycle

Under 11 CFR 100.3(b), an election cycle begins on the day after the general election for the office or seat that the candidate seeks and ends on the day of the next general election for that seat or office.<sup>5</sup> For example, for many candidates for the House of Representatives, the 2004 election cycle begins the day after the general election in 2002 and ends on the day of the general election in 2004. Please note that the length of the election cycle varies depending on the office sought. The election cycle is two years for candidates for the House of Representatives, six years for Senate candidates and four years for Presidential candidates.

For purposes of the contribution limits of 2 U.S.C. 441a and 11 CFR 110.1 and 110.2, contributions to candidates and their authorized committees are aggregated on per election basis. Contribution aggregation regulations at 11 CFR 110.1 and 110.2 state that post-election contributions can only be made to the extent the recipient political committee has net debts outstanding, and these contributions must be properly designated for the previous election. 11 CFR 110.1(b)(3)(i) and 110.2(b)(3)(i). Those regulations further require that any undesignated post-election contributions be applied to the donor's contribution limit for the next election in which the recipient will be a candidate. In *FEC v. Haley*,<sup>6</sup> the Ninth Circuit Court of Appeals upheld the Commission's aggregation regulations at 11 CFR 110.1, ruling that post-election loan guarantees for a loan used to retire general-election debt were contributions subject to the limits and aggregation rules in Part 110 of 11 CFR.<sup>7</sup>

In addition to the proposed rules, the NPRM also offered two alternatives approaches to defining *election cycle*, neither of which was included in the proposed rules.

<sup>5</sup> Please note that in the case of a runoff election after the general election, the election cycle would end on the day of the runoff election. Advisory Opinions 1993-2 and 1983-16.

<sup>6</sup> 852 F.2d 1111 (1988).

<sup>7</sup> At the time of the *Haley* loan guarantees in 1983, 11 CFR 110.1 stated that properly designated post-primary contributions were allowed only to the extent that the recipient committee had net debts outstanding. AO 1977-24 interpreted these rules to apply also to post-general election contributions. The regulations were clarified in a 1987 rulemaking. See Explanation and Justification for Rules on Contributions by persons other than multicandidate committees, 52 FR 761 (January 9, 1987).

*Alternative 1.* The first alternative was to add a new paragraph (c) to 11 CFR 104.1 stating that for reporting purposes only, authorized committees shall begin the "election cycle" on January 1 of the year following the general election for a seat or office and shall end the election cycle on December 31 of the calendar year in which the next general election for that seat or office is held (e.g., January 1, 2003, to December 31, 2004, for House candidates). This approach has the advantage of causing less change to reporting practices and avoiding the need to include election-cycle-to-date figures for two different election cycles in post-general election reports (or year-end reports where no post-general report is filed). While the Commission recognizes that advantage, it is not adopting this alternative because it creates a greater discrepancy in the contribution totals reported for the election cycle and the contribution totals that actually accrue to the election just held. Under this alternative, undesignated contributions received after the general election but before January 1 of the following year are reported in the election cycle to date totals for the general election that was just held, even though these contributions count toward the contribution limits for the next election. Additionally, this approach introduces a definition of election cycle into the regulations that is different than the one in 11 CFR 100.3(b), which relates to determining whether an individual is a candidate. The Commission received no comments on this alternative.

*Alternative 2.* Under the second alternative approach, for both reporting and contribution limit purposes, authorized committees would begin the election cycle on the twenty-first day after the general election for the seat or office the candidate is seeking (the day after the end of the post-general election reporting period) and end the election cycle on the twentieth day after the next general election for the seat or office the candidate is seeking (the day the post-general reporting period ends for that election). Under this alternative, both 11 CFR 100.3(b) (election cycle definition) and 11 CFR 104.3 (reporting) would need to be amended. In addition, the contribution limit regulations at 11 CFR 110.1 and 110.2 would need to be changed to modify the attribution date of undesignated contributions for a general election from election day to the twentieth day after the election.

Under this approach, the post-general election report covers only one election cycle. Nevertheless, for candidates who do not participate in the general election (and therefore who do not file a post-

general election report), the year-end report covers activity occurring both before the twentieth day after the election and after the twentieth day, and thus, spans two election cycles.

The Commission did not adopt Alternative 2 because it believes Congress did not intend to amend the contribution aggregation rules. Section 641 of Public Law 106-58 amended only 2 U.S.C. 434(b), "Contents or Reports." There is no evidence, either on the face of the statute or in its legislative history, indicating Congressional intent to alter the current regulations upheld in *Haley* (see discussion, *supra*) that contributions aggregate as of the date of the election. The Commission has concluded that the legislative intent was simply to change the basis for the contents of reports by authorized committees to provide better disclosure of financial activity from the beginning of the campaign to date. While neither *Haley* nor the lack of Congressional direction would prohibit the Commission from revising its contribution aggregation rules, the Commission has concluded that it is unnecessary and undesirable to alter those settled rules in this rulemaking. The Commission received no comments on this alternative.

### Changes to FEC Forms 3 and 3P

The Commission recognizes that the 1999 amendment to the FECA and the new regulations will necessitate several changes to both the paper and electronic FEC Form 3 (used by House and Senate candidates' authorized committees to report receipts and disbursements) and FEC Form 3P (used by Presidential candidates' authorized committees to report receipts and disbursements). While most of the changes to the forms will consist of renaming headings and redrafting certain instructions, Forms 3 and 3P for the post-general election report (and the year-end report, if no post-general election report was filed) will have to be substantively changed. Section 434(a)(2)(A)(ii) of the FECA and 11 CFR 104.5 require that political committees file post-general election reports covering the period from the 19th day before the general election to the twentieth day after the general election. Thus, the post-general election covers two election cycles. Similarly, two election cycles will be covered in the year-end report for candidates who did not participate in the most recent general election (and therefore did not file a post-general election report). The Commission sought comments as to the simplest and easiest way for political committees to report separately the financial activity for each cycle, given

that the activity occurred within the time period covered by the post-general election report or year-end report. The Commission received no comments on this issue. The Commission expects to transmit revised forms to Congress later this year.

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

These final rules will not have a significant economic impact on a substantial number of small entities. The only small entities subject to these regulations are candidates for Federal office and their authorized committees. The rules implement statutory reporting requirements that Congress enacted to reduce inadvertent violations of the contribution limits. Therefore, there will be no significant economic impact on a substantial number of small entities.

#### **List of Subjects in 11 CFR Part 104**

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

For the reasons set out in the preamble, subchapter A, chapter I of title 11 of the Code of Federal Regulations is amended as follows:

#### **PART 104—REPORTS BY POLITICAL COMMITTEES**

1. The authority citation for part 104 continues to read as follows:

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

2. Section 104.3 is amended by revising paragraph (a) introductory text, paragraph (a)(3) introductory text, paragraph (a)(4) introductory text, paragraphs (a)(4)(i), (v) and (vi), paragraph (b) introductory text, paragraph (b)(2) introductory text, paragraphs (b)(4)(i) and (vi), paragraph (c) introductory text, and paragraph (i), and by adding paragraph (k) to read as follows:

#### **§ 104.3 Contents of reports (2 U.S.C. 434(b), 439a).**

(a) *Reporting of Receipts.* Each report filed under § 104.1 shall disclose the total amount of receipts for the reporting period and for the calendar year (or for the election cycle, in the case of an authorized committee) and shall disclose the information set forth at paragraphs (a)(1) through (a)(4) of this section. The first report filed by a political committee shall also include all amounts received prior to becoming a political committee under § 100.5 of this chapter, even if such amounts were

not received during the current reporting period.

\* \* \* \* \*

(3) *Categories of receipts for authorized committees.* An authorized committee of a candidate for Federal office shall report the total amount of receipts received during the reporting period and, except for itemized and unitemized breakdowns, during the election cycle in each of the following categories:

\* \* \* \* \*

(4) *Itemization of receipts for all political committees including authorized and unauthorized committees.* The identification (as defined at § 100.12 of this chapter) of each contributor and the aggregate year-to-date (or aggregate election-cycle-to-date, in the case of an authorized committee) total for such contributor in each of the following categories shall be reported.

(i) Each person, other than any political committee, who makes a contribution to the reporting political committee during the reporting period, whose contribution or contributions aggregate in excess of \$200 per calendar year (or per election cycle in the case of an authorized committee), together with the date of receipt and amount of any such contributions, except that the reporting political committee may elect to report such information for contributors of lesser amount(s) on a separate schedule;

\* \* \* \* \*

(v) Each person who provides a rebate, refund or other offset to operating expenditures to the reporting political committee in an aggregate amount or value in excess of \$200 within the calendar year (or within the election cycle, in the case of an authorized committee), together with the date and amount of any such receipt; and

(vi) Each person who provides any dividend, interest, or other receipt to the reporting political committee in an aggregate value or amount in excess of \$200 within the calendar year (or within the election cycle, in the case of an authorized committee), together with the date and amount of any such receipt.

(b) *Reporting of disbursements.* Each report filed under § 104.1 shall disclose the total amount of all disbursements for the reporting period and for the calendar year (or for the election cycle, in the case of an authorized committee) and shall disclose the information set forth at paragraphs (b)(1) through (b)(4) of this section. The first report filed by a political committee shall also include

all amounts disbursed prior to becoming a political committee under § 100.5 of this chapter, even if such amounts were not disbursed during the current reporting period.

\* \* \* \* \*

(2) *Categories of disbursements for authorized committees.* An authorized committee of a candidate for Federal office shall report the total amount of disbursements made during the reporting period and, except for itemized and unitemized breakdowns, during the election cycle in each of the following categories:

\* \* \* \* \*

(4) \* \* \*

(i) Each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the election cycle is made by the reporting authorized committee to meet the authorized committee's operating expenses, together with the date, amount and purpose of each expenditure.

\* \* \* \* \*

(vi) Each person who has received any disbursement(s) not otherwise disclosed under paragraph (b)(4) of this section to whom the aggregate amount or value of such disbursements exceeds \$200 within the election cycle, together with the date, amount, and purpose of any such disbursement.

(c) *Summary of contributions and operating expenditures.* Each report filed pursuant to § 104.1 shall disclose for both the reporting period and the calendar year (or the election cycle, in the case of the authorized committee):

\* \* \* \* \*

(i) *Cumulative reports.* The reports required to be filed under § 104.5 shall be cumulative for the calendar year (or for the election cycle, in the case of an authorized committee) to which they relate, but if there has been no change in a category reported in a previous report during that year (or during that election cycle, in the case of an authorized committee), only the amount thereof need be carried forward.

\* \* \* \* \*

(k) *Reporting Election Cycle Activity Occurring Prior to January 1, 2001.* The aggregate of each category of receipt listed in paragraph (a)(3) of this section, except those in paragraphs (a)(3)(i)(A) and (B) of this section, and for each category of disbursement listed in paragraph (b)(2) of this section shall include amounts received or disbursed on or after the day after the last general election for the seat or office for which the candidate is running through December 31, 2000.

3. Section 104.7 is amended by revising the introductory text of paragraph (b), paragraph (b)(1) and the first sentence of paragraph (b)(2) to read as follows:

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

\* \* \* \* \*

(b) With regard to reporting the identification as defined at 11 CFR 100.12 of each person whose contribution(s) to the political committee and its affiliated political committees aggregate in excess of \$200 in a calendar year (or in an election cycle in the case of an authorized committee) (pursuant to 11 CFR 104.3(a)(4)), the treasurer and the political committee will only be deemed to have exercised best efforts to obtain, maintain and report the required information if:

(1)(i) 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.

(A) The following are examples of acceptable statements for unauthorized committees, but are not the only allowable statements: "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;" and "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."

(B) The following are examples of acceptable statements for authorized committees, but are not the only allowable statements: "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 an election cycle;" and "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 election cycle."

(ii) 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.

(2) For each contribution received aggregating in excess of \$200 per calendar year (or per election cycle, in the case of an authorized committee) which lacks required contributor information, such as the contributor's full name, mailing address, occupation or name of employer, the treasurer makes at least one effort after the receipt of the contribution to obtain the missing information. \* \* \*

\* \* \* \* \*

4. Section 104.8 is amended by revising paragraph (a) and the first sentence of paragraph (b) to read as follows:

§ 104.8 Uniform reporting of receipts.

(a) A reporting political committee shall disclose the identification of each individual who contributes an amount in excess of \$200 to the political committee's federal account(s). This identification shall include the individual's name, mailing address, occupation, the name of his or her employer, if any, and the date of receipt and amount of any such contribution. If an individual contributor's name is known to have changed since an earlier contribution reported during the calendar year (or during the election cycle, in the case of an authorized committee), the exact name or address previously used shall be noted with the first reported contribution from that contributor subsequent to the name change.

(b) In each case where a contribution received from an individual in a reporting period is added to previously unitemized contributions from the same individual and the aggregate exceeds \$200 in a calendar year (or in an election cycle, in the case of an authorized committee) the reporting political committee shall disclose the identification of such individual along with the date of receipt and amount of any such contribution. \* \* \*

\* \* \* \* \*

5. Section 104.9 is amended by revising paragraphs (a) and (b) to read as follows:

§ 104.9 Uniform reporting of disbursements.

(a) Political committees shall report the full name and mailing address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year (or within the election cycle, in the case of an authorized committee) is made from the reporting political committee's

federal account(s), together with the date, amount and purpose of such expenditure, in accordance with paragraph (b) of this section. As used in this section, purpose means a brief statement or description as to the reasons for the expenditure. See 11 CFR 104.3(b)(3)(i)(A).

(b) In each case when an expenditure made to a recipient in a reporting period is added to previously unitemized expenditures to the same recipient and the total exceeds \$200 for the calendar year (or for the election cycle, in the case of an authorized committee), the reporting political committee shall disclose the recipient's full name and mailing address on the prescribed reporting forms, together with the date, amount and purpose of such expenditure. As used in this section, purpose means a brief statement or description as to the reason for the disbursement as defined at 11 CFR 104.3(b)(3)(i)(A).

\* \* \* \* \*

Dated: July 6, 2000.

Danny L. McDonald, Vice-Chairman, Federal Election Commission.

[FR Doc. 00-17486 Filed 7-10-00; 8:45 am]

BILLING CODE 6715-01-U

SMALL BUSINESS ADMINISTRATION

13 CFR Part 120

Business Loan Program

AGENCY: Small Business Administration (SBA).

ACTION: Final rule.

SUMMARY: In this Final Rule a Certified Development Company (CDC) will be permitted to apply to have an area of operations that goes beyond its state of incorporation, and beyond a local economic area in an adjacent state, into a contiguous state to its state of incorporation. This amendment includes specific additional membership, loan committee, and board requirements. Also in the Final Rule, for counties with a population of 100,000 or more that have an existing CDC that is adequately serving the county, an application from a new or expanding CDC will be permitted for that same county if the existing CDC has no objection. In addition, the Final Rule allows a CDC to contract out management and staff under specified circumstances. The changes implemented by this Final Rule seek to enhance competition and improve the effectiveness of the CDC program.

DATES: Effective: August 10, 2000.