

however, be paid or reimbursed from revolving loan fund assets that are not RFP grant funds, including revolved funds and cash originally contributed by the grant recipient.

Subpart C—Revolving Fund Program Loans

§ 1783.14 What are the eligibility criteria for RFP loan recipients?

- (a) A loan recipient must be an eligible entity as defined in § 1783.3.
- (b) The loan recipient must be unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.
- (c) The loan recipient must have or will obtain the legal authority necessary for owning, constructing, operating and maintaining the proposed service or facility, and for obtaining, giving security for, and repaying the proposed loan.
- (d) The project funded by the proceeds of an RFP loan must be located in, or the services provided as the result of such project must benefit, rural areas.

§ 1783.15 What are the terms of RFP loans?

- (a) RFP loans under this part—
 - (1) Shall have an interest rate that is determined by the grant recipient and approved by RUS;
 - (2) Shall have a terms not to exceed 10 years; and
 - (3) Shall not exceed the lesser of \$100,000 or 75 percent of the total cost of a project. The total outstanding balance for all loans under this program to any one entity shall not exceed \$100,000.
- (b) The grant recipient must set forth the RFP loan terms in written documentation signed by the loan recipient.
- (c) Grant recipients must develop and use RFP loan documentation that conforms to the terms of this part, the grant agreement, and the laws of the state or states having jurisdiction.

§ 1783.16 How will the loans given from the revolving fund be serviced?

The grant recipient shall be responsible for servicing all loans, to include preparing loan agreements, processing loan payments, reviewing financial statements and debt reserves balances, and other responsibilities such as enforcement of loan terms. Loan servicing will be in accordance with the work plan approved by the Agency when the grant is awarded for as long as any loan made in whole or in part with Agency grant funds is outstanding.

Dated: September 2, 2004.

Curtis M. Anderson,
Acting Administrator, Rural Utilities Service.
 [FR Doc. 04–22446 Filed 10–5–04; 8:45 am]
BILLING CODE 3410–15–P

FEDERAL ELECTION COMMISSION

11 CFR Parts 104 and 110

[Notice 2004–13]

Presidential Inaugural Committee Reporting and Prohibition on Accepting Donations From Foreign Nationals

AGENCY: Federal Election Commission.
ACTION: Final rules and transmittal of regulations to Congress.

SUMMARY: The Federal Election Commission is promulgating new rules regarding disclosure requirements for Presidential inaugural committees. The new rules also ban inaugural committees from accepting donations from foreign nationals. These regulations implement requirements of the Bipartisan Campaign Reform Act of 2002. Further information is provided in the Supplementary Information that follows.

EFFECTIVE DATE: November 5, 2004.

FOR FURTHER INFORMATION CONTACT: Mr. Brad C. Deutsch, Assistant General Counsel, or Ms. Esa L. Sferra, Attorney, 999 E Street, NW., Washington, DC 20463, (202) 694–1650 or (800) 424–9530.

SUPPLEMENTARY INFORMATION: Section 308 of the Bipartisan Campaign Reform Act of 2002 (“BCRA”), Public Law 107–1555, 116 Stat. 81 (March 27, 2002), amended 36 U.S.C. 510 by establishing new requirements for Presidential inaugural committees regarding reporting and acceptance of certain donations. The Commission is issuing these final rules to implement these new requirements for inaugural committees.

The Presidential inaugural committee is appointed by the President-elect to be in charge of the Presidential inaugural ceremony and the functions and activities connected with the ceremony. 36 U.S.C. 501(1). The inaugural committee plans and finances all inaugural events, other than the swearing-in ceremony at the Capitol and the luncheon honoring the President and Vice-President,¹ including opening

ceremonies, the parade, galas, and balls. The inaugural committee also receives special privileges in the District of Columbia beginning five days before and ending four days after the inaugural ceremony. Chapter 5 of title 36 of the United States Code authorizes Congress to make appropriations for the inauguration, however, the appropriations are limited to funding for the District of Columbia to pay for the costs of municipal services associated with the inaugural events. Accordingly, the inaugural committee accepts donations to cover the costs associated with all other inaugural events.

BCRA section 308 amended 36 U.S.C. 510 to require the inaugural committee to disclose, in a report filed with the Commission within 90 days after the inaugural ceremony, certain donations made to the inaugural committee, and to ban the inaugural committee from accepting donations from foreign nationals. Accordingly, the Commission is adding new 11 CFR 104.21 to its reporting rules, in 11 CFR part 104, to set forth inaugural committee reporting requirements. The Commission is also adding to the rules regarding foreign nationals at 11 CFR 110.20 a new paragraph banning both the acceptance by inaugural committees of donations from foreign nationals, as well as the making of such donations.

Under the Administrative Procedures Act, 5 U.S.C. 553(d), and the Congressional Review of Agency Rulemaking Act, 5 U.S.C. 801(a)(1), agencies must submit final rules to the Speaker of the House of Representatives and the President of the Senate and publish them in the **Federal Register** at least 30 calendar days before they take effect. The final rules on inaugural committees were transmitted to Congress on September 30, 2004.

Explanation and Justification

On April 7, 2004, the Commission published a Notice of Proposed Rulemaking (“NPRM”) in the **Federal Register** containing proposed rules to implement BCRA’s amendment to 36 U.S.C. 510 that requires disclosure of certain donations to Presidential inaugural committees and bans the acceptance of donations from foreign nationals by Presidential inaugural committees. 69 FR 18301 (April 7, 2004). The Commission sought comments on several issues raised in the NPRM and on the proposed rules in general. The comment period ended May 7, 2004. The Commission received three comments, two from individuals

¹ The Joint Congressional Committee on Inaugural Ceremonies, which is formed by a Congressional resolution every four years, several months in advance of the Presidential election, plans and finances the Presidential inaugural events held at the Capitol, including the swearing-in ceremony and the Congressional luncheon to honor the President and Vice-President.

and a letter from the Internal Revenue Service. The Internal Revenue Service letter indicated that it had “no comments.”

I. 11 CFR 104.21 Reporting by Inaugural Committees

BCRA section 308 sets forth for the first time a reporting scheme for inaugural committees. Paragraph (a) of new 11 CFR 104.21 defines the terms “inaugural committee” and “donation.” Paragraph (b) sets forth the initial letter-filing for inaugural committees. Paragraph (c) contains reporting requirements. Paragraph (d) sets forth recordkeeping requirements similar to the Commission’s regulations for other persons who file reports with the Commission.

1. 11 CFR 104.21(a)—Definitions

Paragraph (a)(1) of 11 CFR 104.21 defines “inaugural committee.” The definition is identical to that found in 36 U.S.C. 501(1) and in the municipal regulations of the District of Columbia (see D.C. Mun. Regs., tit. 24, section 899).² The definition states that an “inaugural committee” is the committee appointed by the President-elect to be in charge of the Presidential inaugural ceremony, and functions and activities connected with the ceremony. This definition presumes that only one inaugural committee will be named by the President-elect every four years.

Paragraph (a)(2) of 11 CFR 104.21 defines “donation” by reference to the existing definition of “donation” in 11 CFR 300.2(e). The NPRM proposed a definition of “donation” that was similar to 11 CFR 300.2(e), but applied only to inaugural committees. The Commission received no comments on this definition of donation. The Commission has decided to define “donation” in the final rules by simply referring to the existing definition in section 300.2(e), rather than creating a separate, and potentially confusing definition applicable only to inaugural committees.

2. 11 CFR 104.21(b)—Initial Letter-Filing by Inaugural Committees

New 11 CFR 104.21(b) sets forth the steps necessary for a committee appointed by the President-elect to be considered the inaugural committee. BCRA section 308 expressly provides that a committee must “agree to” abide by the applicable reporting

requirements and the ban on acceptance of donations from foreign nationals in order to be considered the inaugural committee. 36 U.S.C. 510(a). The Commission interprets this statutory language to require an affirmative act on the part of the committee wishing to be recognized as the official inaugural committee. Therefore, inaugural committees must file a signed letter with the Commission stating that the committee agrees to abide by the requirements applicable to inaugural committees. In the letter, an inaugural committee must designate a person as its point of contact with the Commission.

The Commission sought comment on whether such a letter-filing is necessary and received no comments. The Commission also sought comments on whether a new FEC form is preferable to a letter-filing, and whether an inaugural committee should be free to designate a person other than its chairperson or other officer as a point of contact with the Commission. One commenter stated that a letter-filing is preferable because it reduces paperwork. The Commission agrees that a letter-filing satisfies the conditions set forth in BCRA’s statutory language and that a new FEC form is unnecessary. The Commission concludes that the chairperson or any other officer is an appropriate person to serve as an inaugural committee’s point of contact because such person is involved in the administration of the committee. The new rule provides flexibility for an inaugural committee to appoint whichever officer might be the most knowledgeable about matters relevant to FEC filing requirements and interactions.

Accordingly, the new rule requires an inaugural committee to file a letter with the Commission within 15 days of being appointed by the President-elect. Fifteen days is the same amount of time as the President-elect had to designate a principal campaign committee after becoming a candidate. See 2 U.S.C. 432(e)(1) and 11 CFR 102.12(a). The letter-filing must contain the name and address of the inaugural committee, the name of its chairperson or other officer who will serve as the point of contact for the Commission, and a statement indicating that the inaugural committee will comply with the reporting and recordkeeping requirements in 11 CFR 104.21(c) and (d) and the ban on accepting donations from foreign nationals in 11 CFR 110.20(j). The letter must be signed by an official of the inaugural committee with authority to make the required statement regarding compliance with Commission regulations.

Additionally, new paragraph (b) sets forth procedures for the assignment of a FEC committee identification number (“FECID”) upon receipt by the Commission of an inaugural committee’s letter-filing, and sets forth the requirement that the inaugural committee must include the FECID in any subsequent communications or filings with the Commission. This additional language mirrors the language of 11 CFR 102.3(c), which contains similar procedures and requirements for political committees, and will help the Commission track and organize information provided by inaugural committees for public use.

3. 11 CFR 104.21(c)—Reporting Requirements for Inaugural Committees

New 11 CFR 104.21(c) sets forth the inaugural committee reporting requirements that satisfy the disclosure provisions contained in BCRA section 308. To facilitate inaugural committee reporting, the Commission is creating a new form, FEC Form 13, which an inaugural committee must use to file its report containing the required information regarding donations to the committee.

New paragraph (c)(1) requires the chairperson or other officer identified in the letter-filing required by paragraph (b) of 11 CFR 104.21 to be responsible for signing (or, in the case of electronic filing, verifying) and filing the report. The Commission sought comment on the signature requirement and received no comments. Although BCRA section 308 does not explicitly require a signature on the report, the Federal Election Campaign Act of 1971, as amended, requires that the Commission “provide methods * * * for verifying designations, statements, and reports * * *.” 2 U.S.C. 434(a)(11)(C). Additionally, the Commission’s reporting regulations provide generally that “[e]ach individual having the responsibility to file a designation, report or statement * * * shall sign the original designation, report or statement,” unless it is electronically filed. 11 CFR 104.14(a). Accordingly, the Commission requires a signature on (or, in the case of electronic filing, a verification for) each FEC Form 13 in accordance with 11 CFR 104.14(a). The signature on (or verification of) the filing signifies that the inaugural committee’s report, or any supplement thereto, is complete and correct as of the date of the filing.

New paragraph (c)(2) implements the statutory requirement that an inaugural committee must file a report with the Commission no later than 90 days after the date of the inaugural ceremony. In

² The District of Columbia has statutory authority to regulate many aspects of the activities of the inaugural committee, such as the inaugural parade route, public safety at inaugural events, and concession sales permits at inaugural events. See 36 U.S.C. 502, 503, and 505.

keeping with other reporting deadlines in Commission regulations, the new rule requires that the report be received by the Commission by 11:59 p.m. Eastern Standard/Daylight Time on the 90th day after the date of the inaugural ceremony. *See generally*, 11 CFR 100.19(b).

Additionally, because BCRA requires an inaugural committee to disclose “any donation of money or anything of value made to the committee in an aggregate amount equal to or greater than \$200,” 2 U.S.C. 510(b)(1) (emphasis added), the Commission has modified paragraph (c)(2) from the paragraph proposed in the NPRM to clarify that an inaugural committee must file supplements, as necessary, to ensure that it discloses each reportable donation, regardless of when the inaugural committee accepts such a donation. Accordingly, an inaugural committee must file a supplement with the Commission within 90 days of the date of the committee’s last filing, of either its report or its most recent supplement. If an inaugural committee does not accept any reportable donations, or make any refunds, within 90 days of the end of the “covering period” of its last filing, as discussed below, then it does not need to file a supplement. However, if an inaugural committee accepts a reportable donation, or makes a refund, at any point thereafter, the committee must then file a supplement reporting such donation or refund within 90 days of accepting the donation or making the refund.

New paragraph (c)(3) states that all letters, reports, and amendments filed by inaugural committees must be filed with the Commission.

New paragraph (c)(4) sets forth the methods by which an inaugural committee may file its report and supplements. The Commission received no comments on whether inaugural committees should be required to file electronically. The Commission has concluded that inaugural committees are not subject to the Commission’s mandatory electronic filing requirements because these requirements apply only if a person receives or makes, or has reason to expect to receive or make, in excess of \$50,000 in contributions or expenditures in a calendar year. 11 CFR 104.18(a)(1). The funds accepted by an inaugural committee are donations, not contributions or expenditures, and therefore are not subject to mandatory electronic filing. Although, the final rules do not make inaugural committees subject to the Commission’s mandatory electronic filing requirements, they do permit inaugural committees to use the Commission’s electronic filing system

on a voluntary basis under 11 CFR 104.18(b). Accordingly, inaugural committees may file their reports either on paper or electronically.

New paragraph (c)(5) requires an inaugural committee to file its report using new FEC Form 13.

New paragraph (c)(6) sets forth the information inaugural committees must disclose in their reports. Inaugural committees must report all donations accepted by them that aggregate \$200 or more from a donor. 36 U.S.C. 510(b)(1). The statute also requires disclosure of (1) the name and address of each person making donations that aggregate \$200 or more; (2) the amount of each such donation; and (3) the date that each such accepted donation was received. 36 U.S.C. 510(b)(2).³ Accordingly, the Commission is requiring the itemization of each accepted donation of \$200 or more, and each accepted donation, regardless of amount, from a person whose total donations equal or exceed \$200. The Commission notes that donations include the entire amount paid for any ticket for an inaugural event, whether paid to the inaugural committee, or an agent thereof, such as a vendor hired by a committee.⁴

Under paragraph (c)(6), for each person (as defined in 11 CFR 100.10) making a reportable donation, an inaugural committee must report on Schedule A of FEC Form 13 the person’s full name and mailing address, and the date of receipt and amount of each donation. In the case of an individual making a donation, “full name” means the individual’s first name, middle name or initial, if available, and last name. In the case of all other persons, “full name” means the entity’s full legal name. *See, e.g.*, 11 CFR 100.12. This disclosure requirement for inaugural committees is similar to the requirements applicable to political committees under 11 CFR 104.3(a)(4)(i).

To ensure accurate reporting, and to provide inaugural committees with a means to show compliance with the ban on acceptance of donations from foreign nationals, the Commission is requiring inaugural committees also to report refunds. Thus an inaugural committee must itemize each refund of a previously, or contemporaneously, reported donation.

³ Although an inaugural committee is required only to report donations that have been *accepted* (i.e., donations deposited into a committee’s account), the statute requires that the committee report “the date the donation is *received*,” which may be different from the date the donation is accepted. 36 U.S.C. 510(b)(1)(B) (emphasis added).

⁴ This approach is consistent with Commission regulations in 11 CFR 100.53 that indicate that the entire amount paid to attend a political committee fundraiser or political event is a contribution.

Additionally, to enhance disclosure, inaugural committees must report aggregated information for all reported donations and refunds, which provides the public with information about an inaugural committee’s total reportable activity from its appointment through the date covered in its most recent filing. Specifically, an inaugural committee must report a cumulative total of itemized donations, a cumulative total of itemized refunds, and a cumulative calculation of net donations, which is a calculation of total itemized donations minus total itemized refunds. This reporting requirement is similar to Commission regulations at 11 CFR 104.3(a), which requires political committees to disclose total contributions and total refunds.

Under paragraph (c)(6), an inaugural committee’s report must itemize all reportable donations accepted and all refunds made from the date of its appointment by the President-elect through a date chosen by the inaugural committee that is within 15 days of the date the committee files its report. This “covering period” is included in the final rule to provide an inaugural committee with the flexibility of choosing a close-of-books date and a 15-day window during which it can prepare and finalize its report. Under this paragraph, supplements to a report also have a “covering period,” which starts on the day after the end of the covering period of the most recent filing and ends on a date, again chosen by the inaugural committee, that is within 15 days of the date the committee files any such supplement.

Inaugural committees must report the above information on Form 13, which consists of a Summary Page and Schedules A and B. The Summary Page provides a cumulative summary of the committee’s total reportable activity from its appointment through the end of the covering period of the filing. An inaugural committee must provide on the Summary Page cumulative totals for (1) itemized donations, (2) itemized refunds, and (3) net donations (i.e. itemized donations minus any refunds). Schedules A and B of Form 13 provides detailed information about the committee’s reportable activity during the covering period of the filing. An inaugural committee must itemize on Schedule A each previously unreported donation of \$200 or more, as well as any donation from a person whose donations total \$200 or more, and must itemize on Schedule B each refund of a previously, or contemporaneously, reported donation.

Additionally, an inaugural committee must designate on the Summary Page

whether a filing constitutes its report or a supplement to its report, or an amendment correcting information in a previous filing.

Accordingly, paragraph (c)(6) states that each report, and any supplement thereto, filed by an inaugural committee must list (1) the "covering period," (2) a cumulative summary of reported donations, refunds, and net donations, (3) an itemization of previously unreported donations that are \$200 or more, and donations, regardless of amount, from a person whose donations aggregate \$200 or more, and (4) an itemization of previously unreported refunds of all previously, or contemporaneously, reported donations.

Lastly, the Commission notes that neither BCRA nor the Commission's new reporting rules contemplate disclosure of disbursements by inaugural committees.

4. 11 CFR 104.21(d)—Recordkeeping

New 11 CFR 104.21(d) requires an inaugural committee to maintain records in accordance with the Commission recordkeeping requirements in 11 CFR 104.14. The Commission sought comments on whether inaugural committees should be subject to recordkeeping requirements, and, if so, whether they should be required to comply with the Commission's established recordkeeping regulations for political committees, *see* 11 CFR 104.14(b), or a different set of rules specifically created for inaugural committees. No commenters addressed this topic. The Commission concludes that an inaugural committee must maintain records that relate to any reportable donations in accordance with 11 CFR 104.14.

II. 11 CFR 110.20 Prohibition on Contributions, Donations, Expenditures, Independent Expenditures, and Disbursements by Foreign Nationals

1. 11 CFR 110.20(j)—Donations by Foreign Nationals to Inaugural Committees

BCRA section 308 prohibits an inaugural committee from accepting foreign national donations. 36 U.S.C. 510(c). Accordingly, the Commission is promulgating new paragraph (j) of 11 CFR 110.20 to implement this prohibition.

The NPRM proposed prohibiting the solicitation and receipt, in addition to the acceptance, of foreign national donations by inaugural committees. In order to more closely track the statute, which prohibits only acceptance of foreign national donations, the final

rules do not prohibit inaugural committees from soliciting or receiving these donations. The Commission received no comments on the proposed prohibition of such activity; however, one commenter agreed generally with a ban on foreign national donations.

Additionally, although BCRA section 308 does not expressly include a "knowingly" standard for inaugural committees' acceptance of donations from foreign nationals, the Commission has previously read a "knowingly" standard into other statutory provisions banning acceptance of foreign national contributions and donations by other persons. *See* 11 CFR 110.20(g); Final Rule and Explanation and Justification, "Contribution Limits and Prohibitions," 67 FR 69928, 69940 (November 19, 2002). In promulgating those rules banning contributions from foreign nationals, the Commission determined that "a knowledge requirement may produce a less harsh result" based on the Commission's prior enforcement experience with the frequent involvement of volunteers in the solicitation and receipt of contributions and donations. *Id.* at 69941. Therefore, to provide inaugural committees with the same protection, the new paragraph (j) prohibits only *knowing* acceptance of a donation from a foreign national. "Knowingly" is defined in 11 CFR 110.20(a).

Although BCRA section 308 does not explicitly forbid foreign nationals from making donations to an inaugural committee, the Commission also sought comment on whether a prohibition on the direct or indirect making of donations by foreign nationals is a permissible interpretation of BCRA section 308, as a necessary implication of the prohibition on the acceptance of such donations by inaugural committees. The Commission received no comments.

Consistent with the structure of current section 110.20, which implements BCRA's other prohibitions on foreign national money and other things of value, the Commission has determined that in order to effectuate BCRA's ban on acceptance of donations from foreign nationals, it is also necessary to impose a ban on the direct or indirect making of donations by foreign nationals to an inaugural committee. Therefore, the final rule at 11 CFR 110.20(j) prohibits both the acceptance of a donation from a foreign national by an inaugural committee, as well as the making of such a donation by a foreign national.

III. Enforcement Authority

BCRA established the Commission's responsibility to "promulgate regulations to carry out [BCRA] and the amendments made by [BCRA]." BCRA section 402(c). In the NPRM, the Commission sought comment on whether it specifically has authority to enforce new rules pertaining to inaugural committees, including the authority to audit inaugural committees, or whether the Commission's authority is limited to receiving the reports required by BCRA section 308 and making them available to the public. One commenter questioned the Commission's enforcement authority.

Although BCRA does not explicitly charge the Commission, or any other agency or entity, with enforcement of the amendment made to 36 U.S.C. chapter 5, the Commission has the responsibility to promulgate rules to implement the amendment and, as part of this authority, may fill in gaps left by Congress. *See Railway Labor Executives' Ass'n v. Nat'l Mediation Bd.*, 29 F.3d 655, 669 (D.C. Cir. 1994) ("Agencies owe their capacity to act to the delegation of authority, either express or implied, from the legislature."); *see also Chevron v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 844 (1984) ("The power of an administrative agency to administer a congressionally created * * * program necessarily requires the formulation of policy and the making of rules to fill any gap left, implicitly or explicitly, by Congress."). Therefore, the Commission concludes that it has implied enforcement authority because the authority to promulgate Commission rules necessarily implies the authority to enforce those rules. Enforcement authority with regard to foreign national donations to inaugural committees, and reporting by inaugural committees is fully consistent with the Commission's enforcement authority as to other foreign national donations and reporting by political committees.

The Commission notes that the Mayor of the District of Columbia is charged with general enforcement of chapter 5 of title 36 of the United States Code, and must "take necessary precautions to protect the public, and ensure that the pavement of any street, sidewalk, avenue, or alley disturbed or damaged is restored to its prior condition." 36 U.S.C. 508. The District of Columbia's enforcement powers under chapter 5, however, are limited to authority over the infrastructure necessary for the inaugural events and the public safety during the events. In addition, the District of Columbia's rules to

implement this chapter “are effective only during the inaugural period,” 36 U.S.C. 506, which begins five calendar days before the inauguration and ends four calendar days after the inauguration, 36 U.S.C. 501(2).

Therefore, the scope of the District of Columbia’s authority with respect to the inauguration does not extend beyond four days after the inauguration and would not cover the 90 day period after the inauguration within which an inaugural committee must file its report with the Commission.

The District of Columbia’s Inaugural Committee (the “DCIC”), a committee made up of representatives from the District’s permit granting agencies, is charged with regulating the activities of the Presidential inauguration and the activities of the inaugural committee pertaining to public safety for the Presidential inauguration. The Commission has confirmed, through communications with the chairperson of the DCIC, that the DCIC is aware of the new requirements of these final rules, including the letter-filing requirement under new 11 CFR 104.21(b) that is a precondition to the inaugural committee receiving any necessary permits from the DCIC. Moreover, the chairperson of the DCIC has indicated that the DCIC considers the enforcement of provisions of 36 U.S.C. 510 not pertaining to public safety and inaugural committee events in the District of Columbia to be the Commission’s responsibility.

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 these rules affect only inaugural committees appointed by the President-elect, of which there will be only one every four years. An inaugural committee does not appear to be a small entity within the meaning of 5 U.S.C. 601(3)–(6). Even if an inaugural committee is deemed a small entity, the new reporting rules require the filing of only one letter and one report, with supplements thereto as necessary. There is no ongoing reporting requirement after all donations have been reported. Therefore, any increase in the cost of compliance would not impose a significant economic burden on a substantial number of small entities.

List of Subjects

11 CFR Part 104

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

11 CFR Part 110

Campaign funds, Political committees and parties.

■ For the reasons set forth in the preamble, the Federal Election Commission amends Subchapter A of Chapter I of Title 11 of the *Code of Federal Regulations* as follows:

PART 104—REPORTS BY POLITICAL COMMITTEES AND OTHER PERSONS (2 U.S.C. 434)

- 1. The title of Part 104 is revised to read as set forth above.
- 2. The authority citation for part 104 is revised to read as follows:

Authority: 2 U.S.C. 431(1), 431(8), 431(9), 432(i), 434, 438(a)(8) and (b), 439a, 441a, and 36 U.S.C. 510.

- 3. A new § 104.21 is added to read as follows:

§ 104.21 Reporting by inaugural committees.

(a) *Definitions*—(1) *Inaugural committee*. Inaugural committee means the committee appointed by the President-elect to be in charge of the Presidential inaugural ceremony and functions and activities connected with the inaugural ceremony.

(2) *Donation*. For purposes of this section, donation has the same meaning as in 11 CFR 300.2(e).

(b) *Initial letter-filing by inaugural committees*. (1) In order to be considered the inaugural committee under 36 U.S.C. Chapter 5, within 15 days of appointment by the President-elect, the appointed committee must file a signed letter with the Commission containing the following:

- (i) The name and address of the inaugural committee;
 - (ii) The name of the chairperson, or the name and title of another officer who will serve as the point of contact; and
 - (iii) A statement agreeing to comply with paragraphs (c) and (d) of this section and with 11 CFR 110.20(j).
- (2) Upon receipt of the letter filed under this paragraph (b), the Commission will assign a FEC committee identification number to the inaugural committee. The inaugural committee must include this FEC committee identification number on all reports and supplements thereto required under paragraph (c) of this section, as well as on all

communications with the Commission concerning the letter filed under this paragraph (b).

(c) *Reporting requirements for inaugural committees*—(1) *Who must report*. The chairperson or other officer identified in the letter-filing required by paragraph (b) of this section must file a report and any supplements thereto as required by this paragraph (c). Such person must sign the report and any supplements thereto in accordance with 11 CFR 104.14(a). The signature on the report and any supplements thereto certifies that the contents are true, correct, and complete, to the best of knowledge of the chairperson or other officer identified in the letter-filing required by paragraph (b) of this section.

(2) *When to file*. A report, and any supplements thereto, must be timely filed in accordance with 11 CFR 100.19 as follows:

(i) *Report*. An inaugural committee must file a report with the Commission no later than the 90th day following the date on which the Presidential inaugural ceremony is held.

(ii) *Supplements to the report*. (A) An inaugural committee must file a supplement to its report if it accepts a reportable donation, or makes a refund during the 90 days following the end of the covering period of its original report or its most recent supplement.

(B) Any supplement must be filed no later than the 90th day following the filing date of an original report, or if a supplement has already been filed, the filing date of the most recent supplement.

(3) *Where to file*. All letters, reports, and any supplements thereto, as required under this section, shall be filed with the Federal Election Commission, 999 E Street, NW., Washington, DC 20463.

(4) *How to file*. An inaugural committee must file its letter, report, and any supplements thereto, in original form; however, an inaugural committee may choose to file its reports in an electronic format that meets the requirements of 11 CFR 104.18.

(5) *Form*. An inaugural committee must file the report required by this paragraph on FEC Form 13.

(6) *Content of report*. Each report, and any supplements thereto, filed with the Commission under this section must contain the following:

(i) Covering period beginning and ending dates, as follows:

(A) The covering period of a report means the period of time beginning on the date of the inaugural committee’s appointment by the President-elect and ending no earlier than 15 days before the day on which the inaugural

committee files its report with the Commission.

(B) The covering period of a supplement to the report means the period of time beginning on the day after the ending date of the covering period of the original report, or the most recent supplement thereto, and ending no earlier than 15 days before the day on which the inaugural committee files such supplement with the Commission.

(ii) Cumulative totals from the date of the inaugural committee's appointment by the President-elect for all:

(A) Donations reported under paragraph (c)(6)(iii) of this section;

(B) Refunds reported under paragraph (c)(6)(iv) of this section; and

(C) Net reported donations;

(iii) Itemization of previously unreported donations of \$200 or more, and donations that aggregate \$200 or more, including:

(A) The full name of each person who made such a donation, including first name, middle name or initial, if available, and last name, in the case of an individual;

(B) The address of each such person;

(C) The amount of each such donation; and

(D) The date of receipt of each such donation; and

(iv) Itemization of previously unreported refunds of previously, or contemporaneously, reported donations, including:

(A) The full name of each person to whom such a refund was made, including first name, middle name or initial, if available, and last name, in the case of an individual;

(B) The address of each such person;

(C) The amount of each such refund; and

(D) The date of each such refund.

(d) *Recordkeeping.* All inaugural committees must maintain records in accordance with 11 CFR 104.14.

PART 110—CONTRIBUTION AND EXPENDITURE LIMITATIONS AND PROHIBITIONS

■ 4. The authority citation for Part 110 is revised 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, and 36 U.S.C. 510.

■ 5. The subject heading of § 110.20 is revised and paragraph (j) is added to read as follows:

§ 110.20 Prohibition on contributions, donations, expenditures, independent expenditures, and disbursements by foreign nationals (2 U.S.C. 441e, 36 U.S.C. 510).

* * * * *

(j) *Donations by foreign nationals to inaugural committees.* A foreign national shall not, directly or indirectly, make a donation to an inaugural committee, as defined in 11 CFR 104.21(a)(1). No person shall knowingly accept from a foreign national any donation to an inaugural committee.

Dated: September 30, 2004.

Bradley A. Smith,

Chairman, Federal Election Commission.

[FR Doc. 04–22393 Filed 10–5–04; 8:45 a.m.]

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FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 335

RIN 3064–AC79

Securities of Nonmember Insured Banks

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Final rule.

SUMMARY: The FDIC is adopting a final rule, unchanged from an interim final rule published on April 12, 2004 in the *Federal Register* (see 69 FR 19085), which confirms amendments to its securities disclosure regulations applicable to banks with securities registered under section 12 of the Securities Exchange Act of 1934 (Exchange Act). These amendments implemented the requirements of the Exchange Act, as amended by the Sarbanes-Oxley Act of 2002, which mandates electronic filing of reports related to beneficial ownership of securities by the directors, executive officers, and principal shareholders of public companies. Prior to issuance of the interim final rule, the FDIC's securities disclosure regulations prohibited electronically transmitted filings or submissions of materials in electronic format to the FDIC. The amended rules provide an exception to this prohibition, requiring electronically transmitted filings of beneficial ownership reports by bank directors, officers, and principal shareholders to disclose securities transactions and ownership. Related technical or procedural provisions were also amended as appropriate.

DATES: These amendments are effective on October 6, 2004.

FOR FURTHER INFORMATION CONTACT:

Dennis Chapman, Senior Staff Accountant, Division of Supervision and Consumer Protection, (202) 898–8922; Mary Frank, Senior Financial Analyst, Division of Supervision and

Consumer Protection, (202) 898–8903; or Carl J. Gold, Counsel, Legal Division, (202) 898–8702, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

I. Background and Authority for This Final Rule

a. Appropriate Federal Banking Agency Authority Under the Exchange Act

Section 12(i) of the Securities Exchange Act of 1934 as amended (15 U.S.C. 78l(i)) authorizes the Federal banking agencies (the FDIC, the Board of Governors of the Federal Reserve System (FRB), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS)) to enforce sections 10A(m) (standards relating to audit committees), 12 (securities registration), 13 (periodic reporting), 14(a) (proxies and proxy solicitation), 14(c) (information statements), 14(d) (tender offers), 14(f) (arrangements for changes in directors), and 16 (beneficial ownership and reporting) of the Exchange Act, and sections 302 (corporate responsibility for financial reports), 303 (improper influence on conduct of audits), 304 (forfeiture of certain bonuses and profits), 306 (insider trades during pension blackout periods), 401(b) (disclosure of pro forma financial information), 404 (management assessment of internal controls), 406 (code of ethics for senior financial officers), and 407 (disclosure of audit committee financial expert) of the Sarbanes-Oxley Act of 2002, in regard to the depository institutions for which each Federal banking agency is, respectively, the primary federal supervisor. The Exchange Act seeks to protect investors by requiring accurate, reliable, and timely corporate securities disclosures.

The FDIC is authorized, in administering the above-listed statutory provisions, to promulgate regulations applicable to the securities of insured banks (including foreign banks having an insured branch) which are neither members of the Federal Reserve System nor District banks (collectively referred to as “state nonmember banks”). These regulations must be substantially similar to the regulations of the Securities and Exchange Commission (SEC) under the listed sections of the Exchange Act and the Sarbanes-Oxley Act, unless the FDIC publishes its reasons for deviating from the SEC's rules.

b. Section 16 of the Exchange Act

Section 16 of the Exchange Act applies to every person who is the