

THE FEC IN CYBERSPACE

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The Internet is affecting everyone-including politicians. And if something affects politicians, then the Federal Election Commission starts paying attention. The FEC is regulating politics online and PAC managers should take notice.

Four years ago the FEC approved the formation of a "virtual" PAC, a committee that existed only on the web, but was registered with the Commission. (NewtWatch, Advisory Opinion 1995-9). Since that time, the FEC has handed down several decisions, some of which have created surprising and controversial results. The "net" result (pardon the pun) is a handful of rules and the likelihood of a rulemaking proceeding in the near future on how much regulation should be imposed on cyber politics.

For the time being, PACs and corporations should be aware of the following:

No endorsements on corporate web sites.

The commission reviewed a proposal whereby a PAC's endorsements would be made available via web site. As the web site activities were funded by the PAC's supporting corporate organization and not the PAC itself, the Commission noted that all web activity would be viewed as corporate activity. The Commission concluded that the Committee would have to modify its web site so that it was not available to the general public, and access was limited only to members of the appropriate restricted class. Advisory Opinion 1997-16, (Oregon Natural Resources Council Action Federal PAC).

PAC Contributors may authorize payroll deductions electronically.

Employees may use digital signatures to authorize payroll deductions for contributions to their company's PAC. Advisory Opinion 999-3, Fed. Election Camp. Fin. Guide (CCH) 6283 (1999) (Microsoft).

Contributions to candidates can be solicited on the web.

The Alexander for President Committee proposed to use the Internet, the World Wide Web, and related technology, to solicit contributions in support of Governor Alexander's presidential candidacy. The Commission concluded that such a program was permissible provided that the standard disclaimer and "best efforts" regulations were followed. In addition, the Commission concluded that the question as to whether these contributions qualified for Federal matching payments was unaffected by the fact that they were received via the internet. Advisory Opinion 1995-35, (Alexander for President Committee).

Contributions through the Internet to Presidential Candidates can qualify for Federal matching funds.

New FEC regulations permit presidential campaigns to receive matching federal funds for qualified contributions made by credit or debit cards, including contributions made over the Internet. Regulation, 64 Fed. Reg. 32394 (June 17, 1999) (Proposed 11 C.F.R. § 9034.2 & 9034.3).

Links on a web site to campaigns might be contributions

The FEC has indicated in enforcement cases that links to candidate committees on web sites may be contributions. If the web site is funded by a union or contribution, such links would be prohibited. There is uncertainty as to the value of such a link. Moreover, the FEC has approved a site sponsored by the state of Minnesota which contains links to all candidates. Advisory Opinion 1999-7.

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