

as amended; the Nuclear Waste Policy Act of 1982, as amended; and 5 U.S.C. 552 and 553; the NRC is adopting the following amendments to 10 CFR part 72:

PART 72—LICENSING REQUIREMENTS FOR THE INDEPENDENT STORAGE OF SPENT NUCLEAR FUEL, HIGH-LEVEL RADIOACTIVE WASTE, AND REACTOR-RELATED GREATER THAN CLASS C WASTE

■ 1. The authority citation for part 72 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 51, 53, 57, 62, 63, 65, 69, 81, 161, 182, 183, 184, 186, 187, 189, 223, 234, 274 (42 U.S.C. 2071, 2073, 2077, 2092, 2093, 2095, 2099, 2111, 2201, 2210e, 2232, 2233, 2234, 2236, 2237, 2238, 2273, 2282, 2021); Energy Reorganization Act of 1974, secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); National Environmental Policy Act of 1969 (42 U.S.C. 4332); Nuclear Waste Policy Act of 1982, secs. 117(a), 132, 133, 134, 135, 137, 141, 145(g), 148, 218(a) (42 U.S.C. 10137(a), 10152, 10153, 10154, 10155, 10157, 10161, 10165(g), 10168, 10198(a)); 44 U.S.C. 3504 note.

■ 2. In § 72.214, Certificate of Compliance 1029 is revised to read as follows:

§ 72.214 List of approved spent fuel storage casks.

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Certificate Number: 1029.

Initial Certificate Effective Date: February 5, 2003.

Amendment Number 1 Effective Date: May 16, 2005.

Amendment Number 2 Effective Date: Amendment not issued by the NRC.

Amendment Number 3 Effective Date: February 23, 2015.

Amendment Number 4 Effective Date: March 12, 2019.

SAR Submitted by: Transnuclear, Inc.

SAR Title: Final Safety Analysis Report for the Standardized Advanced NUHOMS® Horizontal Modular Storage System for Irradiated Nuclear Fuel.

Docket Number: 72–1029.

Certificate Expiration Date: February 5, 2023.

Model Number: Standardized Advanced NUHOMS® – 24PT1, – 24PT4, and – 32PTH2.

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Dated at Rockville, Maryland, this 19th day of December, 2018.

For the Nuclear Regulatory Commission.

Margaret M. Doane,
Executive Director for Operations.

[FR Doc. 2018–27949 Filed 12–26–18; 8:45 am]

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FEDERAL ELECTION COMMISSION

11 CFR Parts 104 and 109

[Notice 2018–17]

Reporting Multistate Independent Expenditures and Electioneering Communications

AGENCY: Federal Election Commission.

ACTION: Final rule.

SUMMARY: The Commission is adopting final rules to address reporting of independent expenditures and electioneering communications that relate to presidential primary elections and that are publicly distributed in multiple states but that do not refer to any particular state’s primary election. **DATES:** This rule is subject to subject to Congressional review. 52 U.S.C. 30111(d). The effective date is March 31, 2019. However, at the conclusion of the Congressional review, if the effective date has been changed, the Commission will publish a document in the **Federal Register** to establish the actual effective date.

FOR FURTHER INFORMATION CONTACT: Mr. Robert M. Knop, Assistant General Counsel, or Ms. Joanna S.

Waldstreicher, Attorney, 1050 First St. NE, Washington, DC 20463, (202) 694–1650 or (800) 424–9530. Documents relating to the rulemaking record are available on the Commission’s website at <http://sers.fec.gov/fosers>, reference REG 2014–02.

SUPPLEMENTARY INFORMATION: The Commission is revising its regulations concerning independent expenditures and electioneering communications as they apply to communications that relate to presidential primary elections and that are publicly distributed in multiple states but that do not refer to any particular state’s primary election (a “multistate independent expenditure” or “multistate electioneering communication”). The Act and Commission regulations require persons who make independent expenditures and electioneering communications to report certain information to the Commission within specified periods of time. See 52 U.S.C. 30104(b)–(c), (f), (g); 11 CFR 104.3, 104.4, 104.20, 109.10. The Commission is revising its regulations to clarify when and how multistate independent expenditures and multistate electioneering communications must be reported.

Although the Commission also proposed revising its regulations concerning independent expenditures by authorized committees of candidates, the Commission could not reach

agreement to revise those regulations at this time. See Independent Expenditures by Authorized Committees; Reporting Multistate Independent Expenditures and Electioneering Communications, 83 FR 3996, 3999–4000 (Jan. 29, 2018). The Commission may reconsider revisions to those regulations in a separate rulemaking at a later date.

Transmission of Final Rules to Congress

Before final promulgation of any rules or regulations to carry out the provisions of the Federal Election Campaign Act, the Commission transmits the rules or regulations to the Speaker of the House of Representatives and the President of the Senate for a thirty-legislative-day review period. 52 U.S.C. 30111(d). The effective date of this final rule is March 31, 2019. However, at the conclusion of the Congressional review, if the effective date has been changed, the Commission will publish a document in the **Federal Register** to establish the actual effective date.

Explanation and Justification

I. Background

The Act and Commission regulations require that political committees report all disbursements. 52 U.S.C. 30104(b)(4); 11 CFR 104.3(b). Political committees must also itemize their disbursements according to specific categories. 52 U.S.C. 30104(b)(4); 11 CFR 104.3(b)(1)–(2). An “independent expenditure” is an expenditure that expressly advocates the election or defeat of a clearly identified federal candidate and is not coordinated with such candidate (or his or her opponent) or political party. 52 U.S.C. 30101(17); see also 11 CFR 100.16(a). Under existing regulations, a political committee (other than an authorized committee) that makes independent expenditures must itemize those expenditures on its regular periodic reports, stating, among other things, the name of the candidate whom the expenditure supports or opposes and the office sought by that candidate. 52 U.S.C. 30104(b)(4)(H)(iii), (6)(B)(iii); 11 CFR 104.4(a). Any person other than a political committee that makes independent expenditures aggregating in excess of \$250 during a calendar year must disclose the same information in a statement filed with the Commission.¹ 52 U.S.C. 30104(c); 11 CFR 109.10(b).

¹ Further, Commission regulations provide that persons other than political committees “shall file a report or statement . . . in any quarterly reporting

In addition, any person that makes independent expenditures aggregating \$10,000 or more for an election in any calendar year, up to and including the 20th day before an election, must report the expenditures within 48 hours. 52 U.S.C. 30104(g)(2)(A); 11 CFR 104.4(b)(2), 109.10(c). Additional reports must be filed within 48 hours each time the person makes further independent expenditures aggregating \$10,000 or more with respect to the same election. 52 U.S.C. 30104(g)(2)(B); 11 CFR 104.4(b)(2), 109.10(c).

Any person that makes independent expenditures aggregating at least \$1,000 less than 20 days, but more than 24 hours, before the date of an election must report the expenditures within 24 hours. 52 U.S.C. 30104(g)(1)(A); 11 CFR 104.4(c), 109.10(d). Additional reports must be filed within 24 hours each time the person makes further independent expenditures aggregating \$1,000 or more with respect to the same election. 52 U.S.C. 30104(g)(1)(B); 11 CFR 104.4(c), 109.10(d).

The 48- and 24-hour filing requirements begin to run when the independent expenditures aggregating at least \$10,000 or \$1,000, respectively, are “publicly distributed or otherwise publicly disseminated.” 11 CFR 104.4(b)(2), (c), (f), 109.10(c)–(d). For purposes of calculating these expenditures and determining if a communication is “publicly distributed” within an applicable 20-day pre-election period, each state’s presidential primary election is considered a separate election. *See* Advisory Opinion 2003–40 (U.S. Navy Veterans’ Good Government Fund) at 3–4 (noting that “publicly distributed” in § 104.4 has same meaning as the term in 11 CFR 100.29(b)(3)(ii)(A), under which each state’s presidential primary election is a separate election) (citing Bipartisan Campaign Reform Act of 2002 Reporting, 68 FR 404, 407 (Jan. 3, 2003); Electioneering Communications, 67 FR 65190, 65194 (Oct. 23, 2002)).

An “electioneering communication,” in the context of a presidential election, is a broadcast, cable, or satellite communication that refers to a clearly identified candidate for President or Vice President and is “publicly distributed” within 60 days before a general election or 30 days before a primary election or nominating convention. 52 U.S.C. 30104(f)(3)(A)(i); 11 CFR 100.29(a). If the candidate identified in the communication is seeking a party’s nomination for the presidential or vice presidential

period thereafter in which additional independent expenditures are made.” 11 CFR 109.10(b).

election, “publicly distributed” means the communication can be received by at least 50,000 people in a state where a primary election is being held within 30 days, or that it can be received by at least 50,000 people anywhere in the United States within the period between 30 days before the first day of the national nominating convention and the conclusion of the convention. 11 CFR 100.29(b)(3).

A person who makes electioneering communications that aggregate in excess of \$10,000 in a calendar year must file a statement with the Commission disclosing certain information about the electioneering communication, including the election to which the electioneering communication pertains. 52 U.S.C. 30104(f); 11 CFR 104.20(b)–(c). As with independent expenditures, each state’s presidential primary election is considered a separate election for purposes of determining whether an electioneering communication is “publicly distributed” within the pre-election reporting window. *See* Advisory Opinion 2003–40 (U.S. Navy Veterans’ Good Government Fund) at 3–4.

The Commission’s current regulations do not specifically address how the public distribution criteria and other reporting requirements apply to independent expenditures or electioneering communications that are made in the context of a presidential primary election and that are distributed in multiple states. In particular, the regulations do not specify which state’s primary election date is relevant for determining whether the communication falls within the 24-hour reporting window (for independent expenditures) or the 30-day definitional window (for electioneering communications).

In a 2012 advisory opinion, the Commission considered how the independent expenditure reporting requirements applied to independent expenditures that supported or opposed a presidential primary candidate and were distributed nationwide without referring to any specific state’s primary election. *See* Advisory Opinion 2011–28 (Western Representation PAC). In that advisory opinion, the Commission concluded that a political committee making such an independent expenditure should divide the cost of the independent expenditure by the number of states that had not yet held their primary elections, and should use the resulting amounts to determine whether the committee must file 24- and 48-hour reports and for which states. *Id.*

In 2014, the Commission made available for public comment three

alternative draft interpretive rules on this topic. Draft Notices of Interpretive Rule Regarding Reporting Nationwide Independent Expenditures in Presidential Primary Elections (Jan. 17, 2014) (“Draft Interpretive Rules”).² Draft A would have followed the approach set forth in Advisory Opinion 2011–28 (Western Representation PAC), instructing persons making a nationwide independent expenditure to divide the cost of the nationwide independent expenditure by the number of states with upcoming presidential primary elections. Draft B would have instructed persons making a nationwide independent expenditure to report it as a single expenditure without indicating a state where the expenditure was made, instead using “memo text”³ to indicate that the independent expenditure was made nationwide. Draft B also would have instructed filers to use the first day of the candidate’s national nominating convention as the election date for determining whether they must file 24- and 48-hour reports. Finally, Draft C would have provided the same reporting guidance as Draft B, except that Draft C would have instructed filers to use the date of the next presidential primary election (rather than the beginning of the national nominating convention) as the election date.

The Commission received two comments on the Draft Interpretive Rules.⁴ Both comments generally supported Draft B. Both comments also argued that the approach in Draft A was unnecessarily complex and would not provide clear information to the public about the reported independent expenditures. After reviewing the comments and engaging in further deliberation, the Commission determined that this issue would be better addressed through regulatory

² Available at <https://transition.fec.gov/law/policy/nationwideiereporting/draftnationwideiereporting.pdf>. The Draft Interpretive Rules referred to the type of independent expenditures that are the subject of this rulemaking as “nationwide independent expenditures.” As discussed below, however, the Commission has determined that an independent expenditure or electioneering communication need not be distributed in all states to fall under the proposed rules. Accordingly, such communications are referred to in this document as “multistate”—rather than “nationwide”—independent expenditures and electioneering communications.

³ “Memo text” refers to a means of including additional information or explanation about a receipt or disbursement on a Commission form. *See* FEC, Campaign Guide for Nonconnected Committees (2008), <https://www.fec.gov/resources/cms-content/documents/nongui.pdf>.

⁴ These comments are available on the Commission’s website at <http://www.fec.gov/law/policy.shtml>.

amendments than through an interpretive rule.

The Commission published a Notice of Proposed Rulemaking (“NPRM”) in the **Federal Register** on January 29, 2018. Independent Expenditures by Authorized Committees; Reporting Multistate Independent Expenditures and Electioneering Communications, 83 FR 3996 (Jan. 29, 2018). The NPRM provided three alternative sets of proposed rules—Alternative A, Alternative B, and Alternative C—and sought public comment on each of them. The comment period ended on March 30, 2018. The Commission received 11 substantive comments from 14 commenters in response to the NPRM.⁵

II. Revised 11 CFR 104.3 and 104.4—Reporting Multistate Independent Expenditures by Political Committees

As set forth below, the Commission is revising § 104.3, concerning the content of independent expenditure reports by political committees, and § 104.4, concerning the timing of independent expenditure reports by political committees. The Commission is making these revisions to clarify the reporting obligations of a political committee when it makes a multistate independent expenditure. Of the three alternatives proposed in the NPRM for revising these regulations, the Commission is adopting Alternative B.

1. New 11 CFR 104.3(b)(3)(vii)(C)—Content of Reports

As described above, political committees—other than authorized committees—must provide for each reported disbursement in connection with an independent expenditure the date, amount, and purpose of the independent expenditure, a statement indicating whether the independent expenditure was in support of, or in opposition to, a candidate, the name and office sought by that candidate, and a certification that the expenditure was, in fact, independent. 52 U.S.C. 30104(b)(6)(B); 11 CFR 104.3(b)(3)(vii).

The Commission proposed three alternatives for revising this paragraph to more clearly indicate how political committees should provide the required information for multistate independent expenditures. Alternatives A and B both would add a new paragraph (b)(3)(vii)(C), requiring that when a political committee makes an independent expenditure in support of or in opposition to a candidate in a

presidential primary election, and the communication is publicly distributed or otherwise disseminated in more than a specified number of states but does not refer to any particular state, the political committee must report the independent expenditure as a single expenditure and use memo text to indicate the states where the communication is distributed. Under Alternatives A and B, the Commission would also redesignate current paragraph (b)(3)(vii)(C) as paragraph (b)(3)(vii)(D).

Under Alternative C, which also would have added a new paragraph (b)(3)(vii)(C), political committees would allocate the amount of the independent expenditure among the states where it is distributed whose primary elections have yet to occur, according to a ratio based on the number of U.S. House of Representatives districts apportioned to each state, and report the amount spent for each such state.

In addition to comments on the proposals generally, the Commission specifically sought comment on the number of states that would be the threshold for a communication to fall within the new paragraph. Requiring an independent expenditure to be “nationwide”—*i.e.*, disseminated in all fifty states plus the District of Columbia (and possibly Puerto Rico, Guam, and American Samoa)—would exclude some independent expenditures that are distributed in a large number of states (*e.g.*, the entire continental United States). This would significantly limit the benefits and application of the proposed reporting rule. Alternatively, applying the new provision to independent expenditures that are disseminated in only a handful of states might result in independent expenditures that are targeted to a specific state’s primary—but partially distributed in neighboring states that share its media markets—being misleadingly reported as “multistate” communications.

Most of the commenters were in agreement that either Alternative A or Alternative B would be preferable to the reporting method identified in the Western Representation PAC advisory opinion or the one proposed in Alternative C. These commenters generally agreed that Alternatives A and B are both improvements over the existing guidance, in terms of the transparency and accuracy of the information provided to the public as well as the burden on the filer. Many of the commenters also agreed that Alternative C is similar to the approach of Advisory Opinion 2011–28 (Western

Representation PAC), and is more complex and less transparent than Alternatives A and B.

Many of the commenters expressed a preference for Alternative A due to its simplicity for filers, and one commenter also opined that Alternative A would operate better for digital ads because they are more frequently intended to influence the general election on a national basis. One commenter preferred Alternative B, contending that Alternative A would not satisfy the 24-hour reporting requirement of the Act. Another commenter argued that both alternatives would effectively require reporting multistate independent expenditures of more than \$1,000 in the aggregate rather than \$1,000 per state of distribution as required by statute. The commenter recommended that the Commission modify either of these alternatives to set the threshold amount for reporting multistate independent expenditures at \$1,000 per state in which it is distributed, to better implement the statutory reporting requirement. *Id.*

Six commenters addressed the minimum number of states in which a communication would have to be publicly distributed before being considered a multistate independent expenditure. The suggested number of states ranged from two to ten, though there was no consensus among commenters on the actual number that should be used. However, several commenters did agree that the Commission should take into consideration the fact that many media markets cross state lines, and that a communication distributed in multiple states may in fact be targeted at only one state’s primary election.

Based on the comments received and the applicable statutory requirements, the Commission has decided to add new paragraph (b)(3)(vii)(C) in § 104.3, as proposed in Alternatives A and B. The Commission agrees with the commenters who expressed the view that these Alternatives are preferable to Alternative C because Alternatives A and B would be less complex than Alternative C and would provide more accurate information to the public concerning the true costs of multistate independent expenditures. The new paragraph requires that when a political committee makes an independent expenditure in support of or in opposition to a candidate in a presidential primary election, and the communication is publicly distributed or otherwise disseminated in six or more states but does not refer to any particular state, the political committee must report the independent

⁵ The Internal Revenue Service also submitted a comment indicating that it sees no conflict between this rulemaking and the Internal Revenue Code or Treasury regulations. See 52 U.S.C. 30111(f).

expenditure as a single expenditure and use memo text to indicate the states where the communication is distributed. The political committee must also indicate the state with the next upcoming presidential primary among those states where the independent expenditure is distributed, as specified in new § 104.4(f)(2) and explained below. The Commission is also redesignating current paragraph (b)(3)(vii)(C) as paragraph (b)(3)(vii)(D).

The Commission's determination that the new § 104.3(b)(3)(vii)(C) should apply to an independent expenditure that is publicly distributed or otherwise disseminated in at least six states is based on the fact that U.S. media markets often overlap state lines. Some media markets include parts of up to four states, and in one case, four states and the District of Columbia.⁶ An independent expenditure distributed in a single such media market could be targeted to a single state's primary election, but would be considered a "multistate" independent expenditure if the Commission set the threshold number for the new provision lower than six.

The Commission also proposed modifying the instructions for its forms to conform them to the new reporting provisions. The Commission intends that the instructions will provide a political committee with flexibility on how to report the states where a multistate independent expenditure is distributed, in order to allow for timely and complete information to be available to the public. After considering the comments received, the Commission has concluded that filers may use descriptive memo text to indicate either the specific states or the regions where a multistate independent expenditure is distributed, such as "nationwide" or "New England," so long as the description is sufficient to allow a member of the public to understand where the communication was distributed. The Commission will publish non-exhaustive lists of adequate and inadequate descriptions similar to its existing lists of adequate and inadequate "purpose of disbursement" descriptions. See *Purposes of Disbursement*, <https://www.fec.gov/help-candidates-and-committees/purposes-disbursement/>. Filers should also indicate the state with the next upcoming presidential primary among those states where the independent

expenditure is distributed, as specified in § 104.4(f)(2).

For independent expenditures distributed in fewer than six states, there is no change in reporting requirements. Each state's presidential primary election is deemed a separate election, and therefore filers will continue to report independent expenditures that do not fall within new § 104.3(b)(3)(vii)(C) by itemizing each such independent expenditure by state and aggregating the amount allocated to each state with other independent expenditures in that state.

2. New 11 CFR 104.4(f)(2)—Timing of Reports

In § 104.4, the Commission proposed to redesignate current paragraph (f) as paragraph (f)(1) and add new paragraph (f)(2), concerning when a political committee must file a 24- or 48-hour report for a multistate independent expenditure. As described above, the Act and Commission regulations require any person who makes independent expenditures aggregating at or above certain threshold amounts and within certain periods prior to an election to report those independent expenditures within 48 or 24 hours. 52 U.S.C. 30104(g)(1)(A), (2)(A); 11 CFR 104.4(b)(2), (c), 109.10(c)–(d). The Commission proposed three alternative revisions to §§ 104.4 and 109.10 to clarify which state's primary election date is relevant for determining whether the communication falls within the 24-hour reporting window when an independent expenditure is publicly distributed in multiple states but the communication does not refer to a particular state's primary.

Under Alternative A, a political committee making a multistate independent expenditure would report it as a single expenditure, as discussed above, and would use the date of the national nominating convention for the clearly identified candidate's party as the date of the election for purposes of determining whether the independent expenditure is within the 20 days before the election and is therefore subject to the 24-hour reporting requirement under 52 U.S.C. 30104(g)(1). Under Alternative B, the political committee would use the date of the next upcoming presidential primary among those to be held in the states in which the independent expenditure is distributed or disseminated. Under Alternative C, the political committee would allocate the amount of the expenditure among the states where it is distributed whose primary elections have yet to occur, according to a ratio based on the number of U.S. House of

Representatives districts apportioned to each state. The political committee would use the date of the next upcoming primary election among the states where the independent expenditure was distributed to determine whether the independent expenditure was distributed within the 20 days before the election, and the amount of the expenditure allocated to that state to determine whether the political committee's aggregate spending in that state had exceeded the applicable threshold for reporting.

Most of the commenters agreed that either Alternative A or Alternative B would be preferable to the existing reporting method described in Advisory Opinion 2011–28 (Western Representation PAC) or the proposal in Alternative C. The commenters were generally in agreement that both Alternative A and Alternative B would provide greater transparency and more accurate information to the public, and would reduce the burden on filers. Many of the commenters expressed a preference for Alternative A due to its simplicity for filers, while one commenter preferred Alternative B, contending that Alternative A would not satisfy the 24-hour reporting requirement of the Act.

After considering the comments received and the applicable statutory requirements, the Commission has decided to redesignate current paragraph (f) in § 104.4 as paragraph (f)(1) and add new paragraph (f)(2) as proposed in Alternative B, concerning when a political committee must file a 24- or 48-hour report for a multistate independent expenditure. As described in the NPRM, a political committee that makes a multistate independent expenditure must report it as a single expenditure, as discussed above, and the political committee must use the date of the next upcoming presidential primary among the presidential primaries to be held in the states in which the independent expenditure is distributed or disseminated as the date of the election to determine whether the independent expenditure is within the 20 days before the election and is therefore subject to the 24-hour reporting requirement under 52 U.S.C. 30104(g)(1).

The Commission agrees with those commenters who expressed the view that Alternative C is complex and would not improve the information available to the public about the true costs of multistate independent expenditures. The Commission is adopting the new paragraph (f)(2) as proposed in Alternative B because it implements the requirement in 52 U.S.C. 30104(g)(1)

⁶ Comment from Campaign Legal Center, March 29, 2018, at 3 (citing Kantar Media, *DMA County Coverage as Defined by Nielsen Media Research* (Fall 2016)).

that independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before an election be reported within 24 hours, more accurately than Alternative A would do. The major parties' nominating conventions are held after all of the presidential primary elections have taken place, more than five months after the earliest state presidential primary elections and typically more than 20 days after even the latest primary elections.⁷ Under Alternative A, multistate independent expenditures distributed in proximity to most, if not all, state primary elections would effectively not be subject to the 24-hour reporting requirement because they would be distributed more than 20 days before the nominating conventions, and the public would be deprived of timely information about expenditures intended to influence those primary elections. Because the state presidential primary elections are typically held more than 20 days before the national nominating conventions, Alternative A would, in practice, require 24-hour reports only for multistate independent expenditures intended to influence the national conventions or the general election, even though such independent expenditures would fall outside the 20-day window before the general election. By contrast, under Alternative B, the 24-hour reporting requirement would apply to independent expenditures with the ability to influence multiple states' presidential primary elections, such as those held on Super Tuesday,⁸ as well as those distributed within the 20-day period before the national nominating conventions. *See* 52 U.S.C. 30101(1)(B) (defining an "election," in part, to include "a convention or caucus of a political party, which has authority to nominate a candidate").

The Commission acknowledges that it might be less burdensome for reporting committees to comply with Alternative A because that proposal relies on a single election date rather than multiple dates, but the Commission may not opt for ease of compliance at the expense of conforming to the statute. Therefore the Commission is adopting Alternative B,

⁷ For example, in 2016 the Republican national nominating convention was held July 18–21 and the Democratic national nominating convention was held July 25–28, while the earliest state primary election was Feb. 9 (New Hampshire) and the latest was June 14 (District of Columbia). The full calendar of 2016 state presidential primary elections can be found at <https://www.nytimes.com/interactive/2016/us/elections/primary-calendar-and-results.html?>.

⁸ In 2016, Super Tuesday was March 1, when 11 states held presidential primary elections. *See* <https://www.nytimes.com/elections/2016/results/2016-03-01>.

because it best complies with the statutory reporting requirement while also serving the public's interest in timely disclosure.

IV. Revised 11 CFR 109.10—Reporting Multistate Independent Expenditures by Persons Other Than Political Committees

The Commission proposed to incorporate into 11 CFR 109.10(e)—which addresses the content of independent expenditure reports filed by persons other than political committees—the new requirements for reporting multistate independent expenditures that the Commission is adding to § 104.3(b)(3)(vii)(C). Two commenters addressed this proposal, agreeing generally that the same 24- and 48-hour reporting framework proposed for multistate independent expenditures should apply to political committees and other persons.

Taking into account the comments received and the reasons explained above regarding the adoption of new § 104.3(b)(3)(vii)(C), the Commission concludes that applying the same 24- and 48-hour independent expenditure reporting requirements to persons other than political committees would lessen the chance of confusion among both filers and the public, best serving the public's interest in timely disclosure. Accordingly, the Commission is incorporating into 11 CFR 109.10(e)—which addresses the content of independent expenditure reports filed by persons other than political committees—the requirements for reporting multistate independent expenditures that the Commission is adding to § 104.3(b)(3)(vii)(C). Specifically, revised § 109.10(e)(1)(iv) provides that when a person other than a political committee makes an expenditure meeting the criteria set forth in § 104.3(b)(3)(vii)(C) (*i.e.*, an independent expenditure that supports or opposes a presidential primary candidate and that is distributed in six or more states but does not refer to any particular state), the person must report the expenditure pursuant to the provisions of § 104.3(b)(3)(vii)(C).

V. Revised 11 CFR 104.20—Electioneering Communications

In § 104.20(c), which concerns the content of reports regarding electioneering communications, the Commission proposed to add a new paragraph if it adopted Alternative A or B described above. The new paragraph would apply when the relevant election is a presidential primary election and the electioneering communication is distributed in more than a specified

number of states but does not refer to any particular state's primary election. This new paragraph would parallel the new reporting requirements for multistate independent expenditures discussed above, providing that the reporting person must report the electioneering communication as a single communication and use a memo text to indicate the states in which the communication constitutes an electioneering communication (as defined in 11 CFR 100.29(a)). Two commenters addressed this proposal, one supporting it and one calling for modifications to clarify the threshold amount for reporting.

The Commission concludes that adopting reporting requirements for multistate electioneering communications that parallel the reporting requirements for multistate independent expenditures will lessen the chance of confusion among both filers and the public, best serving the public's interest in timely disclosure. Accordingly, the Commission is adding a new paragraph (c)(7) in § 104.20, and redesignating current paragraphs (c)(7)–(9) as paragraphs (c)(8)–(10). New paragraph (c)(7) applies when the relevant election, which the reporting person must identify under paragraph (c)(5), is a presidential primary election and the electioneering communication is distributed in six or more states but does not refer to any particular state's primary election. In such situations, this new paragraph parallels the new reporting requirements for multistate independent expenditures in new § 104.3(b)(3)(vii)(C). New paragraph (c)(7) of § 104.20 provides that the reporting person must report the electioneering communication as a single communication and use a memo text to indicate the states in which the communication constitutes an electioneering communication (as defined in 11 CFR 100.29(a)).

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

The Commission certifies that the attached rules will not have a significant economic impact on a substantial number of small entities. The rules provide for consolidated reporting of certain independent expenditures and electioneering communications that the Commission's current reporting guidance indicates should be allocated among elections in multiple states. The Commission anticipates that the consolidation of these reports will generally result in a modest reduction of the administrative burdens on reporting entities, and it will not impose any new

reporting obligations. Thus, to the extent that any entities affected by these proposed rules might fall within the definition of “small businesses” or “small organizations,” the economic impact of complying with these rules will not be significant.

List of Subjects

11 CFR Part 104

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

11 CFR Part 109

Elections, Reporting and recordkeeping requirements.

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

PART 104—REPORTS BY POLITICAL COMMITTEES AND OTHER PERSONS (52 U.S.C. 30104)

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

Authority: 52 U.S.C. 30101(1), 30101(8), 30101(9), 30102(i), 30104, 30111(a)(8) and (b), 30114, 30116, 36 U.S.C. 510.

- 2. In § 104.3:
 - a. Revise paragraph (b)(3)(vii)(B).
 - b. Redesignate paragraph (b)(3)(vii)(C) as paragraph (b)(3)(vii)(D) and revise newly redesignated paragraph (b)(3)(vii)(D).
 - c. Add new paragraph (b)(3)(vii)(C).

The revision and addition read as follows:

§ 104.3 Contents of Reports (52 U.S.C. 30104(b), 30114).

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(b) * * *

(3) * * *

(vii) * * *

(B) For each independent expenditure reported, the committee must also provide a statement which indicates whether such independent expenditure is in support of, or in opposition to a particular candidate, as well as the name of the candidate and the office sought by such candidate (including State and Congressional district, when applicable), and a certification, under penalty of perjury, as to whether such independent expenditure is made in cooperation, consultation or concert with, or at the request or suggestion of, any candidate or authorized committee or agent of such committee; and

(C) For an independent expenditure that is made in support of or opposition to a presidential primary candidate and is publicly distributed or otherwise publicly disseminated in six or more

states but does not refer to any particular state, the political committee must report the independent expenditure as a single expenditure—*i.e.*, without allocating it among states—and must indicate the state with the next upcoming presidential primary among those states where the independent expenditure is distributed, as specified in § 104.4(f)(2). The political committee must use memo text to indicate the states in which the communication is distributed.

(D) The information required by paragraphs (b)(3)(vii)(A) through (C) of this section shall be reported on Schedule E as part of a report covering the reporting period in which the aggregate disbursements for any independent expenditure by any person exceed \$200 per calendar year. Schedule E shall also include the total of all such expenditures of \$200 or less made during the reporting period.

* * * * *

- 3. In § 104.4:
 - a. In paragraph (b), remove “FEC Form 3X” everywhere it appears and add in its place the words “the applicable FEC Form”.
 - b. Revise paragraph (f).
- The revision reads as follows:

§ 104.4 Independent expenditures by political committees (52 U.S.C. 30104(b), (d), and (g)).

* * * * *

(f) *Aggregating independent expenditures for reporting purposes.* (1) For purposes of determining whether 24-hour and 48-hour reports must be filed in accordance with paragraphs (b) and (c) of this section and 11 CFR 109.10(c) and (d), aggregations of independent expenditures must be calculated as of the first date on which a communication that constitutes an independent expenditure is publicly distributed or otherwise publicly disseminated, and as of the date that any such communication with respect to the same election is subsequently publicly distributed or otherwise publicly disseminated. Every person must include in the aggregate total all disbursements during the calendar year for independent expenditures, and all enforceable contracts, either oral or written, obligating funds for disbursements during the calendar year for independent expenditures, where those independent expenditures are made with respect to the same election for Federal office.

(2) For purposes of determining whether 24-hour or 48-hour reports must be filed in accordance with paragraphs (b) and (c) of this section and 11 CFR 109.10(c) and (d), if the

independent expenditure is made in support of or opposition to a candidate in a presidential primary election and is publicly distributed or otherwise publicly disseminated in six or more states but does not refer to any particular state, the date of the election is the date of the next upcoming presidential primary election among the presidential primary elections to be held in the states in which the independent expenditure is publicly distributed or disseminated.

- 4. In § 104.20:
 - a. Revise paragraphs (c)(5) and (6).
 - b. Redesignate paragraphs (c)(7) through (9) as paragraphs (c)(8) through (10).
 - c. Add new paragraph (c)(7).

The revision and addition read as follows:

§ 104.20 Reporting electioneering communications (52 U.S.C. 30104 (f)).

* * * * *

(c) * * *

(5) All clearly identified candidates referred to in the electioneering communication and the elections in which they are candidates; and

(6) The disclosure date, as defined in paragraph (a) of this section.

(7) If the election identified pursuant to paragraph (c)(5) of this section is a presidential primary election and the electioneering communication is publicly distributed or otherwise disseminated in six or more states but does not refer to any particular state, the electioneering communication shall be reported as a single communication, indicating the state with the next upcoming presidential primary among those states where the electioneering communication is distributed, and the states in which it constitutes an electioneering communication (as defined in 11 CFR 100.29(a)) shall be indicated in memo text.

* * * * *

PART 109—COORDINATED AND INDEPENDENT EXPENDITURES (52 U.S.C. 30101(17), 30116(a) AND (d), AND PUB. L. 107–155 SEC. 214(C))

- 5. The authority citation for part 109 continues to read as follows:

Authority: 52 U.S.C. 30101(17), 30104(c), 30111(a)(8), 30116, 30120; Sec. 214(c), Pub. L. 107–155, 116 Stat. 81.

- 6. Revise § 109.10(e)(1)(iv) to read as follows:

§ 109.10 How do political committees and other persons report independent expenditures?

* * * * *

(e) * * *

(1) * * *

(iv) A statement that indicates whether such expenditure was in support of, or in opposition to a candidate, together with the candidate's name and office sought; if the expenditure meets the criteria set forth in 11 CFR 104.3(b)(3)(vii)(C), memo text must be used to indicate the states in which the communication is distributed, as prescribed in that section;

* * * * *

On behalf of the Commission.

Dated: December 18, 2018.

Caroline C. Hunter,

Chair, Federal Election Commission.

[FR Doc. 2018-27800 Filed 12-26-18; 8:45 am]

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FEDERAL ELECTION COMMISSION

11 CFR Part 111

[Notice 2018-18]

Civil Monetary Penalties Annual Inflation Adjustments

AGENCY: Federal Election Commission.

ACTION: Final rules.

SUMMARY: As required by the Federal Civil Penalties Inflation Adjustment Act of 1990, the Federal Election Commission is adjusting for inflation the civil monetary penalties established under the Federal Election Campaign Act, the Presidential Election Campaign Fund Act, and the Presidential Primary Matching Payment Account Act. The civil monetary penalties being adjusted are those negotiated by the Commission or imposed by a court for certain statutory violations, and those imposed by the Commission for late filing of or failure to file certain reports required by the Federal Election Campaign Act. The adjusted civil monetary penalties are calculated according to a statutory formula and the adjusted amounts will apply to penalties assessed after the effective date of these rules.

DATES: The final rules are effective on January 1, 2019.

FOR FURTHER INFORMATION CONTACT: Mr. Robert M. Knop, Assistant General Counsel, or Mr. Joseph P. Wenzinger, Attorney, Office of General Counsel, (202) 694-1650 or (800) 424-9530.

SUPPLEMENTARY INFORMATION: The Federal Civil Penalties Inflation Adjustment Act of 1990 (the "Inflation Adjustment Act"),¹ as amended by the

Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the "2015 Act"),² requires federal agencies, including the Commission, to adjust for inflation the civil monetary penalties within their jurisdiction according to prescribed formulas. A civil monetary penalty is "any penalty, fine, or other sanction" that (1) "is for a specific monetary amount" or "has a maximum amount" under federal law; and (2) that a federal agency assesses or enforces "pursuant to an administrative proceeding or a civil action" in federal court.³ Under the Federal Election Campaign Act, 52 U.S.C. 30101-45 ("FECA"), the Commission may seek and assess civil monetary penalties for violations of FECA, the Presidential Election Campaign Fund Act, 26 U.S.C. 9001-13, and the Presidential Primary Matching Payment Account Act, 26 U.S.C. 9031-42.

The Inflation Adjustment Act requires federal agencies to adjust their civil penalties annually, and the adjustments must take effect no later than January 15 of every year.⁴ Pursuant to guidance issued by the Office of Management and Budget,⁵ the Commission is now adjusting its civil monetary penalties for 2019.⁶

The Commission must adjust for inflation its civil monetary penalties "notwithstanding Section 553" of the Administrative Procedures Act ("APA").⁷ Thus, the APA's notice-and-comment and delayed effective date requirements in 5 U.S.C. 553(b)-(d) do not apply because Congress has specifically exempted agencies from these requirements.⁸

Furthermore, because the inflation adjustments made through these final rules are required by Congress and involve no Commission discretion or policy judgments, these rules do not need to be submitted to the Speaker of the House of Representatives or the

31001(s)(1), 110 Stat. 1321, 1321-373; Federal Reports Elimination Act of 1998, Public Law 105-362, sec. 1301, 112 Stat. 3280.

² Public Law 114-74, sec. 701, 129 Stat. 584, 599.

³ Inflation Adjustment Act sec. 3(2).

⁴ Inflation Adjustment Act sec. 4(a).

⁵ See Inflation Adjustment Act sec. 7(a) (requiring OMB to "issue guidance to agencies on implementing the inflation adjustments required under this Act"); see also Memorandum from Mick Mulvaney, Director, Office of Management and Budget, to Heads of Executive Departments and Agencies, M-19-04 (Dec. 14, 2018), https://www.whitehouse.gov/wp-content/uploads/2017/11/m_19_04.pdf ("OMB Memorandum").

⁶ Inflation Adjustment Act sec. 5.

⁷ Inflation Adjustment Act sec. 4(b)(2).

⁸ See, e.g., *Asiana Airlines v. FAA*, 134 F.3d 393, 396-99 (DC Cir. 1998) (finding APA "notice and comment" requirement not applicable where Congress clearly expressed intent to depart from normal APA procedures).

President of the Senate under the Congressional Review Act, 5 U.S.C. 801 *et seq.* Moreover, because the APA's notice-and-comment procedures do not apply to these final rules, the Commission is not required to conduct a regulatory flexibility analysis under 5 U.S.C. 603 or 604. See 5 U.S.C. 601(2), 604(a). Nor is the Commission required to submit these revisions for congressional review under FECA. See 5 U.S.C. 30111(d)(1), (4) (providing for congressional review when Commission "prescribe[s]" a "rule of law").

The new penalty amounts will apply to civil monetary penalties that are assessed after the date the increase takes effect, even if the associated violation predated the increase.⁹

Explanation and Justification

The Inflation Adjustment Act requires the Commission to annually adjust its civil monetary penalties for inflation by applying a cost-of-living-adjustment ("COLA") ratio.¹⁰ The COLA ratio is the percentage that the Consumer Price Index ("CPI")¹¹ "for the month of October preceding the date of the adjustment" exceeds the CPI for October of the previous year.¹² To calculate the adjusted penalty, the Commission must increase the most recent civil monetary penalty amount by the COLA ratio.¹³ According to the Office of Management and Budget, the COLA ratio for 2019 is 0.02522, or 2.522%; thus, to calculate the new penalties, the Commission must multiply the most recent civil monetary penalties in force by 1.02522.¹⁴

The Commission assesses two types of civil monetary penalties that must be adjusted for inflation. First are penalties that are either negotiated by the Commission or imposed by a court for violations of FECA, the Presidential Election Campaign Fund Act, or the Presidential Primary Matching Payment Account Act. These civil monetary penalties are set forth at 11 CFR 111.24. Second are the civil monetary penalties assessed through the Commission's Administrative Fines Program for late filing or non-filing of certain reports required by FECA. See 52 U.S.C. 30109(a)(4)(C) (authorizing Administrative Fines Program), 30104(a) (requiring political committee treasurers

⁹ Inflation Adjustment Act sec. 6.

¹⁰ The COLA ratio must be applied to the most recent civil monetary penalties. Inflation Adjustment Act, sec. 4(a); see also OMB Memorandum at 2.

¹¹ The Inflation Adjustment Act, sec. 3, uses the CPI "for all-urban consumers published by the Department of Labor."

¹² Inflation Adjustment Act, sec. 5(b)(1).

¹³ Inflation Adjustment Act, sec. 5(a), (b)(1).

¹⁴ OMB Memorandum at 1.

¹ Public Law 101-410, 104 Stat. 890 (codified at 28 U.S.C. 2461 note), amended by Debt Collection Improvement Act of 1996, Public Law 104-134, sec.