



THE FEDERAL ELECTION COMMISSION
Washington, DC 20463

**RESPONSES TO QUESTIONS SUBMITTED BY MEMBERS OF THE
SENATE COMMITTEE ON RULES AND ADMINISTRATION**

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Senator Inouye's Questions:

1. As Members of the Federal Election Commission, you have all testified to the wonderful working environment that exists. Given the record number of fines through settlement, improved management of increased filings, increased efficiency in the enforcement process, to name a few, I would like to learn your thoughts on the current campaign finance laws and procedures that are in place. Where do you believe the problems are in current law that may be addressed by Congress, by clarifying the law or closing loopholes, in order to increase transparency and make accountability easier to monitor?

RESPONSE:

Among the most significant problems in current campaign law is its complexity, especially after BCRA. There are a vast number of differing thresholds for limitations and reporting requirements. Some of these limits were set in the 1970s, others in 2002 or even later. Some are subject to indexing; others are not. Certain reporting requirements involve significant duplication.

The law could be simplified significantly without sacrificing any of its substantive goals. This would improve accountability and transparency by making the law easier to comply with and enforce and by making reports more consistent and easier to understand. Congress could make such changes directly or, perhaps preferably, could grant the Commission circumscribed authority to adjust and harmonize the various limitations and reporting requirements. Doing so promotes a noble goal: easily understood laws enhance citizen participation in the electoral and political process.

2. The 2008 Presidential election season started off early. In addition, the fundraising that is necessary for candidates in federal elections is at an all-time high. It seems as though the "down time" for candidates in between election cycles has shortened dramatically. Do you believe this is straining the ability of the FEC to keep track of campaign finances due to an increased volume?

RESPONSE:

Because the Commission's reporting processes are automated, the increased volume and early start to 2008 presidential fundraising has only a marginal effect on the Commission's ability to keep track of campaign finances. Indeed, the Commission improved the presentation of presidential finance data through a new presidential campaign finance map. The increased volume of information does challenge the Commission's information technology (IT) resources, and healthy funding for our IT efforts will be necessary to keep pace with additional campaign spending.

3. Finally, I would like to hear your thoughts regarding the issue of "527s," and the impact on the FEC's ability to track accurately campaign finances. What, if anything, do you believe might assist your agency in its efforts to keep the American electorate informed about candidates' campaign finances?

RESPONSE:

The existence of the "527" regulatory and reporting system has a significantly positive impact on the ability of the Commission to track campaign finances. Although 527 organizations report primarily to the IRS rather than to the Commission, the reports are available to the public and are available by a hyperlink from the Commission's web site. Without the 527 reporting system, large amounts of campaign-related spending would not be reported to the public. Whatever controversies exist regarding "527s," reporting problems are not significant among them.

The second part of the question asks about assisting the Commission in keeping Americans informed of candidates' finances. Continued adequate funding for the Commission's IT efforts (such as expansion of the mapping application described above) would most assist the Commission in this regard.
