
Libertarian Strategy Gazette

Volume 3 Number 9

September 2003

Low Budget Outreach

Editor

I would like to respond to Jim Pitts, LPNC outreach director. First, I would never stamp or label or identify a letter to any elected official with any political affiliation. While elected officials represent all voters, they are also partisan politicians.

If your letter does not identify an opposing party, the elected official is concerned about your vote and support. If you identify as supporting an opposing party, you are showing your partisan politics and saying I'm not voting for or supporting you, no matter what.

If you want to ask someone for help, don't insult that person by waving the flag of partisan politics.

Second, stamping or labeling outgoing mail with a Libertarian Party message is not new. National has for years provided stickers that say:

"tired of big government & high taxes"

Call the Libertarian party
toll free (800) 682-1776

I use them, but except for personal letters, I don't think that they make more than a miniscule impact.

If you want thousands of people to see a LP message, use a bumper sticker. Many different people each day will see your bumper sticker, all over town, as you drive and park at work, shopping, and leisure activities.

I've actually seen a few people writing down the LP phone number from my bumper sticker, and a few others stopped me to ask about the LP.

Jonathan Zwickel Fresno, Ca

Campaign Disk

As previously reported, Bonnie Scott and I with the support of Libertarians across the United States have prepared a CDROM with 20 megs of material to support and assist Libertarians running for office. The CDROM, which has now been printed, is immediately available to individual Libertarians who are actually running for office. Courtesy of Tim Crowley, we have the Mother of All Manuals. Thanks to the National party, we have PDFs of the LP support material, the Libertarian Volunteer magazine, notes from the Success 99 series. Gene Cisewski supplied his County Organizing Manual; Mark Selzer and Doug Scribner gave a short on petitioning; the CMLC web pages with both my books are included. It's free to candidates. Just email phillies@4liberty.net with your papermail address and the office for which you are running, and I will send you a copy.

State Chairs Meet

Part Seven

Bob Sullentrup, State Chair of Missouri, has again prepared an extended set of notes on the States Chairs meeting. This article began in the March 2003 **Let Freedom Ring!** and is available as a complete article in the *Electronic Supplement* to the March 2003 issue of **Libertarian Strategy Gazette** <http://www.cmlc.org/cmlc/pubs.htm>.

Sullentrup writes:

Steve Givot summarized. From Aaron, he heard the War on Drugs was a "symptom" and was hurting us financially.

From Kevin, Steve heard that we would get those votes from issue groups, and abandoning them would shoot ourselves in the foot.

To finish this session, the discussion turned to anecdotes and experience on the relative costs versus benefits of the War on Drugs issue. The following is a sampling from that discussion.

John Babiarz (NH) who ran for governor, said a police officer called a radio show he was on to say that in his professional experience, "we were right". Unfortunately, on TV, the question you may get is, "you believe in giving drugs to kids, don't you"? John called for a "reality check".

Shelly Tamres (VA): since 9-11, makes us look frivolous.

Brad Klopfenstein (IN): "This kills our candidates in Indiana and follows us everywhere"

Jason Auvenshine (AZ): "The Drug War issue appeals to the left, and drives them away on the right".

Phil Miller (IN): "This may not be popular, and I may get hurt by this issue, but at least I'll know I'm doing the right thing".

Brendan Trainor (NV): Phyllis Schlafly's people came to NV for a 3-day debate. We got them to soften their resistance. They sent a letter to their constituents and while they did not endorse the initiative, they did not fight it anymore. This can be a winning issue.

Judge James Gray, Libertarian Party Presidential Candidate: "We can double our membership if we are known to stand against the War on Drugs".

Final vote.

[State Chairs Meet] (Continued on page 2)

(Continued from page 1) [State Chairs Meet]

Strongly agree Tend to agree Middle or No Opinion-
Tend to disagree Strongly disagree
agree 11 33 41 0 After 35.5% 9.7% 9.7% 12.9% 32.3% *Interme*

e
After 34.4% 12.5% 9.4% 18.8% 25.0%

Before 25.8% 16.1% 9.7% 19.3% 29.0%

The bottom line? We ended up more dispersed and more polarized.

However, everyone seemed to be in agreement that stating our position as “the Drug War does more harm than good” is less controversial than it was before.

BCRA, Sean Haugh

Bi-Partisan Campaign Reform Act.

Yes, it is bi-partisan and it does apply to us - the D's and R's are one party.

Sean Haugh, relying on research conducted by the NC Treasurer Bob Dorsey, presented the thicket called the BCRA.

Sean’s assumption was that most states would prefer to report less to the government than more and perform fewer tasks rather than more. He suggested ways to accomplish that.

Certain states said they would gladly perform the extra reporting and other tasks instead of constantly trying to manage expenditures to remain under the reporting threshold.

And all of this may be moot by the summer if the Supreme Court strikes down the BCRA. However, what’s perhaps more likely is some of the BCRA would survive.

Sean started by noting the FEC “only takes action against those that get complaints”. The FEC has neither time nor resource to hunt for violations. Moreover, “You can call them anonymously for advice”.

The prominent change affects the national party by banning soft money accepted from Nov 6, 2002 onward. National parties can now only accept money from other federal committees and individuals.

In order for a state affiliate to send a check to national, it must have a federal committee bank account set up.

At the moment, there are only eight states that can send a check to national. The others must establish a separate federal account, unless they are willing to have their entire operations subject to the federal restrictions and reporting requirements.

This is a steadfast rule. There are checks at national from states for membership that are simply sitting there, uncashed, awaiting further rulings from the BCRA or replace-

ment checks from states. They are labeled as ‘writeoff’. Di-
anne Pilcher reports the memberships have been estab-
lished.

The next consideration is limits, which trigger reporting re-
quirements. One Thousand dollars in either spending or re-
ceiving in a calendar year is the threshold for a ‘political
committee’. At that point, a political committee must file
with the FEC.

It is important to recognize an accounting principle in-
volved. Only the political committee initiating a transaction
recognizes the amount against its limit. That is, UMP re-
ceipts by states do not count against their threshold limits.
UMP transactions initiate with national, not with the recipi-
ent states.

Transfers are also problematic. Think of federal accounts
and state accounts as ‘domains’. You cannot transfer funds
from a non-fed account into a fed account. (Recall the ini-
tial precept that fed accounts can only be funded by individ-
uals or other fed accounts). You can transfer money from a
fed account into a non-fed account.

What this implies is UMP funds coming from national de-
posited into a state’s regular account cannot be then trans-
ferred into the state’s fed account. *Instead, states should
take their UMP payment as a check, deposit it in their fed-
eral account, and then transfer any portion they desire to
their non-federal account.*

When fundraising, include a disclaimer: “The funds we
raise here may be used for federal election activity” if you
intend to put any of the proceeds into your federal account.

From here, the matter intensifies.

Even though your state may never reach its reporting
threshold, beware. The law also governs “activity connected
to elections where federal candidates appear on the ballot”
and, get this, “federal election activity, even where no fed-
eral candidates appear on the ballot”. This includes:

- Voter registration within 120 days of a regularly
scheduled election (such as sending out an inquiry
packet that includes a voter registration form).
- This applies to general elections, not primaries.
- Get out the vote activity and voter identification,
defined as taking any steps to identify voters be-
yond contact information, where a federal candi-
date appears on the ballot
- Public communications including TV, phone
banks, and radio identifying candidates (note:
specifically does not include the Internet)
- Payment for state and local employees devoting
more than 25% of their time to federal elections.

These four bullet points constitute the core FEC definition

of "federal election activity". This law does NOT govern administrative costs, contributions to local candidates, voter registration drives more than 120 days before an election, conventions, websites.

The allocation of administrative costs between federal and nonfederal accounts is established in the Federal Elections Act that established the FEC, and thus predates the BCRA. This is a level of complexity that states only need to worry about if they are involved in significant levels of federal election activity.

"Levin funds" are a new type of funds created under BCRA. They can be used to pay for the items listed above as "federal elections activities." Once you establish your separate federal bank account, you can safely reclassify your regular account as a combined non-federal/Levin funds account. All contributions received from fundraising letters and pledges, except those amounts that exceed \$10,000 from any contributor in one year, qualify as Levin funds.

Under BCRA, most if not all states will have lots more Levin funds than they would need. If ever questioned about the use of Levin funds, all you have to do is show through a reasonable accounting method that you had enough in your combined non-federal/Levin account to cover the expenses related to federal elections activities.

The law also provides for exemptions. These include volunteers distributing literature, voter registration drives on behalf of Presidential and Vice-Presidential nominees, or listing federal candidates on websites.

Sean recommends having a separate small account for send-

ing money to national, or to engage in federal activities. Sean recommends we avoid meeting that \$1000 threshold.

Additional resources include

The Dorsey memos (Bob Dorsey NC Treasurer who distilled the law and translated it into English) are available below or from Sean Haugh at director@lpnc.org.

BCRA FAQ. Sean will also have a BCRA FAQ available by the first week of March.

Some Facts About State and Local Political Parties and the New Federal Campaign Finance Law," from The Campaign and Media Legal Center, <http://www.camlc.org/attachment.html/statelocalBCRA.pdf?id=415>;

The "BCRA Campaign Guide Supplement", the FEC's definitive report on new rules made to enforce BCRA as of January 2003, <http://www.fec.gov/pdf/guidesup03.pdf>

"The FEC's Soft Money Rules," a resource just discovered from the Center for Responsive Politics, giving an excellent breakdown of how BCRA affects state and local party fundraising, <http://www.capitaleye.org/FECsoft-moneyrules.asp>.

As a result of BCRA, some states may adopt "UMP2" as a means of limiting payments to national. Under the Unified Membership Program, of a \$25 membership national returns \$1 per month per member to the states. This requires a state to transfer \$25 to national for a member. Since the state is the initiator, it counts against the \$1000 threshold.

Under UMP2, a state would keep \$12 up front and never send it to national. Thus only \$13 per membership is transferred to national, and is counted towards your state's \$1000 filing threshold for expenditures.

While the BCRA would still apply, a state would be able to forward more new member dues before the threshold is reached.

While BCRA remains obnoxious for the Libertarian Party, it is compounded for the D's and R's. BCRA compliance is presumably much more difficult for them. This provides a great opportunity for us to register the violations of our D & R friends with the FEC, and inflict a most richly deserved and condign punishment on them all.

Elections, Ron Crickenberger

Since 1993, the Libertarian Party has enjoyed continuous growth in its number of candidates and electoral victories. Ron Crickenberger provided graphs that illustrated the trends.

The Libertarian Party lacked the money in 2002 to achieve its goal of 2000 candidates. The current membership de-

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cline “may hurt us in the next election cycle”, according to Ron.

The LNC will consider ballot access at its upcoming meetings. The LNC may not be committed to 50 state strategy. The four most expensive states for ballot access include OK, OH, WV, AL. And OK’s petitioning must be done this year or the Libertarian Party must secure an even greater number of signatures next year. This “OK snowball effect” if carried into 2004, robs petitioners from the activities slated for next year. Signatures range from 67 cents per signature in OH to double that if conducted in OK at last minute.

The alternatives the LNC will consider include hiring lobbyists to change the laws or filing suit. In the past, both lawsuits and lobbying have helped ameliorate if not eradicate the problem.

Brainstorming ideas for elections and ballot access:

- Lobbying to change laws
- Offer no money for non winnable races, with exemptions for key ballot access states
- In non-winnable elections focus on membership
- Combat the wasted vote syndrome - support independent runoff voting, IRV
- States who get ballot access drive money must have a plan to eliminate that hurdle forever
- Success 99 and candidate training (Note: Ron Crickenberger plans on making the LP website more ‘functional’ for candidates)
- Links on national site to all candidate training sites and resources
- Expand “Operation Breakthrough” (CA)
- Expand “Operation Gator Bite” (FL)

Several points emerged from the ensuing discussion. One was a call to “do the research”. Many races are unopposed. Many positions are appointed. These are low hanging fruit.

Is there an “updraft effect” of running a full slate? Anecdotal, a full slate tends to do better. And local candidates seem to do better in a full slate. So the answer to the question of whether it is better to run a full slate or to focus, is “yes”. Do both. And start early!

With training programs such as Success 99, the programs work best when a locale ‘wants’ the event. Gerhard Langguth (AR) recommended we bring attendees to an LNC meeting for such training.

Others such as Aaron Starr (CA) recommended we out-source training looking for alternative service providers. *Campaigns and Elections* provides the Cadillac of training courses, though they may be beyond our league at this time.

Wrap up

During the final round robin wrap up, Mark Schreiber’s

branding presentation emerged as the best part of the conference with the Sean Haugh’s BRCA explanation a distant second.

Several individuals mentioned having breakout sessions as a means of engaging the participants, fostering mentoring and providing additional benefits. Mark Nelson pledged to consider and likely adopt that practice for next year.

The “intentional dialog” sessions attracted several negative responses.

Special kudos went to Mark Nelson for his masterful navigation, Dianne Pilcher for her diligence and Nancy Neale for her unheralded work behind the scenes, including the Liberty birthday cake on the 22nd for our Chair, her husband Geoff.

Alliance of State Chairs

In the final order of business, the group agreed to form an “Alliance of State Chairs”.

This group will operate under bylaws independent of the Libertarian Party. Accordingly, this group will enjoy operating privileges different from the Party’s. It will be in position to lend assistance in a variety of ways that it would not otherwise be available to do were the relationship a subservient one.

Sean Haugh is the coordinator. Steering committee members include Chuck Williams, Jeremy Keil, Michael Gilson, Ray Ledford, Gerhard Langguth, Brad Klopfenstein, Mark Rutherford, Mark Nelson and Sean Haugh.

Next year’s convention? Rumor is:

Durham, NC.

Be there or be a right-angled rhombus.

Extra Sessions

- Ted Dunlap on infighting
- Chuck Sallier on fundraising. See also the 2002 State Chair’s Meeting notes.
- Michael Gilson - EALO (Elected and Appointed Libertarians in Office)

Notes from these sessions are unavailable.

The Dorsey Memos on BCRA

Bob Dorsey, North Carolina Treasurer, produced the following information after having researched BCRA.

Memo 1, Recommendations

From: "B. Dorsey" <viola4@earthlink.net>
 To: "ecLPNC" <ecLPNC@yahoo.com>
 Sent: Monday, October 21, 2002 4:39 PM
 Subject: [ecLPNC] Recommendations for LPNC Compli-

ance with BCRA

Folks, below are my recommendations and the actions required for us to comply with FECA and BCRA.

Summary...

- 1) Request National send us our UMP payments via check rather than via electronic deposit.
- 2) Open a separate bank account to serve as a Federal Account.
- 3) Seed this account with a small contribution to cover expenses from 11/6 to 11/15.
- 4) Payments to National starting on 11/6 must come from the Federal Account.
- 5) Payments for allocable expenses starting on 11/6 must come from the Federal Account.
- 6) Deposit the 11/15/02 UMP check into the Federal Account.
- 7) Register with the FEC when we exceed the \$1000 registration threshold (estimate 3Q/03)
- 8) Once registered with the FEC, file reports as required.
- 9) Classify our existing bank account as a combined Non-Federal/Levin Account.
- 10) Avoid engaging in certain types of Federal Election Activities (FEA) that must be paid solely with Federal Funds.
- 11) Pay for the other types of FEA with Levin Funds, not with Federal Funds.
- 12) Maintain a reasonable accounting method to be able to demonstrate that sufficient Levin Funds were available to pay for these types of FEA at the time each payment was made.

Details...

The Bipartisan Campaign Reform Act (BCRA) becomes effective on 11/6/02 and will impact LPNC in several areas. First, it requires National to be 100% Federal Funds based, meaning they can only accept and expend Federal Funds. This impacts us because any money we now send to National, for any purpose whatsoever, must now be Federal Funds. Mostly we just send them membership dues from new members joining through the Thomas Paine Fund [a discount program for new memberships funded by LPNC]. The problem right now is that LPNC doesn't have any Federal Funds to send to National. However, the requirement that National be 100% Federal Funds based provides a solution. Namely, any UMP payment after 11/6/02 will be Federal Funds so we can use these funds to send membership dues to National.

My recommendation is for us to set up a separate bank account that will be exclusively Federal Funds. Into this account we can deposit one or more UMP payments starting with the 11/15/02 UMP payment. My intention is to seed this account with a personal contribution in order to cover any payments needed between 11/6 and 11/15. This contribution will be Federal Funds because it will comply with all requirement of the Act, including the solicitation requirements which as Treasurer I am fully aware of.

An alternative would be for us to continue to maintain a single account but this is not as clean an alternative from an accounting perspective, and when we do cross the \$1000 registration threshold and become a Political Committee (see next paragraph), this alternative would bring all our finances under the FEC umbrella along with its additional restrictions. Specifically, it would limit individual contributors to \$10K/year (including loans) and I'm not sure but it might even force us to receive only Federal Funds from county affiliates and local and state candidates.

Another reason for two accounts is that the FEC rules are very confusing and complex and having more funds subject to these rules just increases the likelihood of fines and penalties. Finally, we will need to spend Levin Funds on certain types of FEA that we engage in (more on this below) and BCRA does not allow a single account to combine Federal and Levin Funds. So the best option for us is to set up two accounts with one account functioning as a combined Non-Federal/Levin account and second account that is a Federal Account.

The act of opening a separate Federal Account does not by itself require us to register with the FEC. Only when the registration threshold (\$1000 in "contributions" or \$1000 in "expenditures" in a calendar year) is reached is registration required. The good news is that a transfer of Federal Funds only counts toward that threshold for the committee making the transfer, not the committee receiving the transfer. So, the UMP payments we receive do not count toward the registration requirement. Only when we have sent National more than \$1000 in one calendar year will we have to register. If the current rate of new members joining through us continues, we will need to register with the FEC sometime in the 2nd half of next year. The new UMP program requires us to send just \$13 to National instead of \$25 so it will delay the registration day a while (hopefully into 2004!). Only the Federal Account will be registered and only activity in that account will need to be reported.

The act of sending funds to National means we are engaging in federal activity which in turn requires us to pay for certain types of expenses that indirectly support federal candidates with entirely Federal Funds, or allocate these expenses between federal and non-federal and pay only the federal portion with Federal Funds. These expenses must be paid from the Federal Account and then if we choose to allocate, the non-federal portion may be transferred from our Non-Federal Account to our Federal Account. Because we will have plenty of Federal Funds (from UMP payments), it will probably be easiest to forgo doing the transfer and just pay for it all with Federal Funds.

The main expense that we will need to allocate is administrative/overhead costs such as rent, utilities, office supplies, etc. I'm not sure at this time but we may also need to allocate some other types of expenses. Payment for these allocable expenses do not count toward the \$1000 registration

threshold.

BCRA defines certain activities, at certain times, to be "Federal Election Activities" (FEA). Some types of FEA must be paid solely with Federal Funds. Other types of FEA can be paid with Federal Funds or Levin Funds or a mix of Federal/Levin Funds. Importantly, we can not use any Federal Funds transferred from National to pay for any FEA. This means that the only way for us to engage in those FEA that must be paid solely with Federal Funds is to open a second Federal Account and raise the Federal Funds for this account ourselves. I do not anticipate this will be necessary because the types of FEA that must be paid solely with federal funds are not activities that we engage in at this time. Specifically these activities are 1) a public communication that refers to a clearly identified federal candidate and that promotes, supports, attacks or opposes any federal candidate; and 2) services of an employee who devotes more than 25% of his compensated time to activities in connection with a federal election.

To a small degree, we do engage in those other types of FEA that may be paid with Levin Funds. This will not be any problem because on 11/6/02 practically all our funds will be Levin Funds (all contributions from fundraising letters and pledges are Levin Funds). It does mean however that our current bank account will function as a combined Non-Federal and Levin Account (which is permissible). This in turn means that we must keep records and be able to demonstrate through a reasonable accounting method that we had sufficient Levin Funds on hand to cover each payment for FEA at the time each payment was made. I don't anticipate any problem being able to do this.

Well I think I've covered everything but FECA/BCRA is so complex I can almost guarantee that there will be some more consequences and implications that I haven't considered. Stay tuned. If you have any questions please ask.
Bob

To Be Continued

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