

Feds Approve Liberal Election Rules for Net

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WASHINGTON--Federal regulators approved new rules on Monday that take a largely laissez-faire approach toward governing political speech and advertising on the Internet, at least for now.

In a 6-0 vote, the Federal Election Commission adopted 107 pages of rules detailing long-awaited final regulations that primarily focus on paid political advertisements appearing on Web sites. They would also extend a broad exemption enjoyed by traditional news organizations to the online world--everything from Slate and Salon.com to soapboxing bloggers.

"I am very pleased that it appears we have a consensus today and will establish several very important protections for online political speech," FEC Chairman Michael Toner, a Republican, said at the 45-minute meeting.

Until now, Internet politicking has been essentially unregulated, which proponents of online free speech say has led to no substantial problems. But now that a formal regulatory framework is in place, they argue, it will be tempting for the government to add to it over time and gradually stifle robust Internet debate.

The six-member commission released a 96-page draft document ([click here for PDF](#)) late Friday.

At Monday's meeting, they tacked on 12 more pages ([click here for PDF](#)) designed to clear up questions about how much political volunteerism employees of corporations or labor organizations can do on their employers' Internet and computer facilities. (The verdict: "Occasional, isolated or incidental use" remains fine, as long as it's on the employee's time, isn't coerced by the employer, and doesn't bump up the company's costs.)

The adoption of the rules could help bring closure to an ongoing tussle over campaign-finance rules for the Internet. The FEC in 2002 issued regulations that shielded the Internet from the freshly enacted Bipartisan Campaign Finance Reform Act, better known as the McCain-Feingold law.

But U.S. District Judge Colleen Kollar-Kotelly overturned the FEC's set of rules in fall 2004, saying at the time that the commission's move "severely undermines" the campaign finance law's purposes. Three Republicans on the commission wanted to appeal the decision, but they couldn't convince any of the three Democrats to agree, leaving the body under court order to craft new regulations establishing campaign-finance parameters for the Internet.

The final regulations adopted Monday take a far less aggressive approach than did draft rules released for public comment last spring. That document prompted an outcry from bloggers and some members of

Congress, who said they feared heavy-handed rules would numb the Net's grass-roots, democratizing influence.

The FEC's rules would take effect 30 days after their publication in the Federal Register, which is expected to occur within five to six days, the commission said.

Feds' Internet rules

The FEC's final Internet regulations adopted on Monday are less onerous than an earlier version. Here's what they say:

- Paid political advertising appearing on someone else's Web site would have to be reported, regardless of how little or how much it costs. But that responsibility would lie with the candidate, political party or committee backing the ad--not a Web site accepting the ads.
- All ads that expressly advocate the election or defeat of a candidate or solicit donations would have to carry disclaimers.
- Bloggers and other individual commentators wouldn't have to disclose payments received from candidates, political parties or campaign committees--but those groups would have to report payments to bloggers.
- No one except registered political committees would be required to put disclaimers on political e-mailings or Web sites. The e-mail requirement would kick in only if the committee sent out more than 500 substantially similar unsolicited messages at a time.
- The media exemption enjoyed by traditional news outlets would be extended to "any Internet or electronic publication," which could include everything from online presences of major media companies to individual bloggers.

Former FEC Chairman Bradley Smith, who revealed the possibility of far more onerous regulations in a March 2005 interview with CNET News.com, said more regulations may be on the way.

"We can expect 'reform' groups such as Democracy 21 and the Campaign Legal Center to regularly lobby for extensions of the FEC approach to regulate more activity," Smith, who now teaches at Capital University Law School in Columbus, Ohio, wrote. Despite the unanimous vote, two of the three Republican commissioners at Monday's meeting said they still didn't think the latest rules were hands-off enough.

Hans von Spakovsky, a Republican who was appointed to the commission in January, said there was no question that Congress did not intend to regulate the Internet through McCain-Feingold. He urged politicians to pass a new law that would overturn the judge's mandate and essentially revive the FEC's

previous carve-out for the Internet, which he said "gives an ordinary citizen with cogent ideas a far more expansive reach than people had in years past."

Such a proposal, which has won support from bloggers and from FEC Chairman Toner, is pending in both houses of Congress right now--most recently backed by a U.S. House of Representatives panel. But in November, Democrats defeated a last-minute vote in an earlier round of legislating.

That bill's chief sponsor, Rep. Jeb Hensarling, said Monday that he'd continue to push for its passage. "I'm heartened by fact that the FEC's rule is narrowly drawn, but a step in the wrong direction is still the wrong direction, and a bad precedent can lead to a worse precedent," the Texas Republican said in a statement. A new vote on his proposal could occur by the end of this week, but the congressman's representative could not predict precisely when.

A competing House proposal, endorsed by campaign-finance advocacy groups, would create a narrower exemption for Internet-based political activities, though seemingly would not be as narrow as the FEC's final rules. For instance, self-published Web sites and bloggers would be immune from reporting their activities, but only if their expenses did not exceed \$5,000 per year.

Critics of a broad exemption have charged that excluding all Internet communications is a recipe for corruption. The FEC said repeatedly in its rulemaking that it has found no evidence of such abuses, bolstering its defense of a laissez-faire approach.

CNET News.com's Declan McCullagh contributed to this report.