

FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 6729

Checks and Balances for Economic Growth

STATEMENT OF REASONS OF VICE CHAIR ANN M. RAVEL

Political advertising has become commonplace on the Internet, and that trend only stands to increase as citizens turn more frequently to the Internet and mobile devices for information and entertainment. But while the world changes, the Commission has not adapted with it and has failed to acknowledge the importance of providing transparency to the public no matter what the medium of political communication. A re-examination of the Commission's approach to the Internet and other emerging technologies is long overdue.

Today, the Commission publically released the file in an enforcement matter concerning the disclosure and disclaimer requirements for certain Internet advertisements. The Commission here deadlocked on whether there should be any reporting for particular political advertisements disseminated only online.¹ Some of my colleagues seem to believe that the same political message that would require disclosure if run on television should be categorically exempt from the same requirements when placed on the Internet alone. As a matter of policy, this simply does not make sense.²

In the past, the Commission has specifically exempted certain types of Internet communications from campaign finance regulations.³ In doing so, the Commission turned a

¹ See Certification in MUR 6729 (Checks and Balances), dated Sept. 16, 2014. I, along with Commissioners Walther and Weintraub, voted to find reason to believe that Checks and Balances for Economic Growth violated 52 U.S.C. § 30104(c)(1) (formerly 2 U.S.C. § 434(c)(1)) or in the alternative 52 U.S.C. § 30104(f)(1) (formerly 2 U.S.C. 434(f)(1)) and 52 U.S.C. § 30120(d)(2) (formerly 2 U.S.C. § 441d(d)(2)). Chairman Goodman and Commissioners Hunter and Petersen dissented.

² And a close examination of the unique circumstances in this case distinguishes it from those past cases where the Commission has applied the so-called "Internet exemption." In my view, the Commission should have resolved this matter in favor of more disclosure, not less.

³ See Internet Communications, 71 Fed. Reg. 18,589 (Apr. 12, 2006).

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blind eye to the Internet's growing force in the political arena.⁴ The Commission's paramount concern may have been not to inhibit a technology that was well-suited for mass-communication by individual citizens. But the Commission failed to take into account clear indicators that the Internet would become a major source of political advertising — dominated by the same political organizations that dominate traditional media. Since its inception, this effort to protect individual bloggers and online commentators has been stretched to cover slickly-produced ads aired solely on the Internet but paid for by the same organizations and the same large contributors as the actual ads aired on TV.

Additionally, in 2014, the distinctions between the Internet and other modes of communication are not what an earlier group of Commissioners may have anticipated. In fact, as nearly everyone now knows, you can watch TV on the Internet. Cable companies even advertise the ability to access the same content — including ads — on your smartphone, tablet, laptop, desktop, or TV. So why hasn't the Commission reevaluated its approach to keep up with the changing times?

Unfortunately, in its earlier efforts at dealing with the Internet's impact on campaign finance, the Commission received only limited feedback from those most knowledgeable with the relevant issues — Internet developers and technology entrepreneurs. When devising policies with far reaching impact, it is incumbent on the Commission to consult the relevant community of professionals, and the public, to inform our decisions.

As a Commission, we need to consider the changing role of technology in our elections and recognize how technology is changing our politics. For that reason, next year, I will bring together technologists, social entrepreneurs, policy wonks, politicos, and activists — from across the spectrum — to discuss new and emerging technologies and how the Commission's current approach may or may not fit with future innovations. Such a dialogue will permit the Commission to develop a firmer understanding of emerging technologies and help us as policymakers to make better decisions. I encourage my colleagues to join me in this effort.

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Ann M. Ravel Vice Chair

⁴ See e.g. REPORT OF THE BIPARTISAN CALIFORNIA COMMISSION ON INTERNET POLITICAL PRACTICES 4 (2003), available at <u>http://www.fppc.ca.gov/InternetCom/FinalRept01-04.pdf</u> ("In each election cycle, candidates and campaigns develop new uses for emerging technologies... [t]here is no reason to expect a slowdown in the evolution in technology, the ways in which it will be used, or the questions it raises for policymakers.")