



Ed.Harper@us.fortis.com on 09/13/2002 11:28:42 AM

To: BCRAPart110@FEC
cc:

Subject: Comment on Proposed Rules published 8-22-02 Implementing BCRA

Fortis, Inc
1101 Pennsylvania Avenue NW
Washington, DC 20004

September 13, 2002

Via E-Mail

Ms. Mai T. Dinh
Acting Assistant General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

RE:Notice 2002-14

Dear Ms. Dinh:

I am writing on behalf of many US citizens who are employees of Fortis, Inc., a Dutch / Belgian multinational corporation with subsidiaries located in the United States, among other countries. Like their domestic US counterparts, Fortis' subsidiaries are functionally regulated at both the state and federal level.

We are, therefore, gravely concerned about those provisions of the Federal Election Commission's (FEC) proposed rules, issued for comment on August 22, 2002 and published in the Federal Register at 67 Fed. Reg. 54366, which seek to implement the recently enacted Bipartisan Campaign Reform Act of 2002 (BCRA)

by prohibiting U.S. subsidiaries of foreign companies from either forming a Political Action Committee (PAC) and/or U.S. citizens who are a part of their workforce from participating in them and, through them, in the American political process. In particular, we wish to respond to the FEC's request for comment on whether the word, "indirectly", as contained in the BCRA, should be construed to "cover a foreign controlled U.S. corporation, including a U.S. subsidiary of a foreign corporation, when such corporation

seeks to make (1) nonfederal donations of corporate treasury funds, or (2) federal contributions through a political action committee."

On this point, we also wish to associate ourselves with the views expressed by the Organization for International Investment (OFII), as submitted to you,

We believe that the Congress has already addressed and rejected this question, and we also do not believe that it was the intent of Congress, in enacting the BCRA, that the FEC, through its regulatory authority to implement the law, should re-open the issue for discussion. Not only was there no reference to U.S. subsidiaries in the actual wording of section 303 of BCRA, but the legislative history supporting the bill also failed to make mention of them. In fact, on February 13, 2002, as the BCRA was being considered in the House of Representatives, an amendment restricting political contributions to U.S. citizens and legalized aliens only was offered and soundly defeated, by a vote of 268-160, giving rise to legislative history which lends support to the contrary view.

Apart from the legislative history, however, we believe that such a restriction, if it were to be imposed, would represent an impermissible intrusion on the First Amendment rights of U.S. citizens and legalized aliens to participate actively, if their own free will, in the American political process.

In sum, then, Fortis, Inc. is opposed to any FEC interpretation of the word, "indirectly", that would give rise to a bar against the ability of our U.S. subsidiaries to form their own PACs, and for the U.S. citizens and legalized aliens who work for them to contribute to those PACs.

Should the Commission schedule a hearing on this issue we respectfully request the opportunity to testify in opposition to such an interpretation, should the Commission schedule a hearing on this issue.

Sincerely,

Edwin L. Harper,
Senior Vice President
Public Affairs and Government Relations.

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