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## Reporting

### [FEC Issues Interim Reporting Guidance for National Party Committee Accounts](#)

On February 13, 2015, the Federal Election Commission issued interim reporting guidance for national party committee accounts.

On December 16, 2014, President Obama signed into law the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83). Provisions of that law enable national party committees to establish accounts to defray certain expenses incurred with respect to:

- Presidential nominating conventions;
- National party headquarters buildings; and
- Election recounts and contests and other legal proceedings.

Until the Commission adopts new regulations, national party committees that establish such accounts should report the activities of those accounts as described below.

Although party committees normally disclose their contributions on Form 3X, Line 11(a), the Commission's forms currently do not provide a clear way to distinguish between contributions deposited into the committees' separate accounts. Thus, as described below, national party committees should report the contributions deposited into their presidential nominating convention, national party headquarters buildings, or election recounts and contests and other legal proceedings accounts as "other federal receipts," with the appropriate descriptions. Similarly, the committees should report expenditures from these accounts as "other federal operating expenditures" or "other disbursements" (depending upon the account, as explained below), with the appropriate descriptions.

### **Interim Reporting Instructions**

Report all receipts and disbursements for all accounts pursuant to the Federal Election Campaign Act of 1971, as amended, and Commission regulations. See 52 U.S.C. § 30104 (formerly 2 U.S.C. § 434); 11 CFR Part 104.

Presidential Nominating Convention Account (“Convention Account”)

- Committees should report contributions deposited into the Convention Account on Line 17 of Form 3X titled “Other Federal Receipts.”
- When itemizing on Schedule A, filers should identify those receipts by entering “Convention Account” in the description field.
- Report administrative or operating expenses made from the Convention Account on Line 21(b) of Form 3X titled “Other Federal Operating Expenditures.”
- When itemizing on Schedule B, filers should identify these disbursements by entering “Convention Account” in the Purpose of Disbursement field along with the required purpose of the disbursement (e.g., “Convention Account – Bookkeeping and Compliance”).

National Party Headquarters Buildings Account (“Headquarters Account”)

- Committees should report contributions deposited into the Headquarters Account on Line 17 of Form 3X titled “Other Federal Receipts.”
- When itemizing on Schedule A, filers should identify those receipts by entering “Headquarters Account” in the description field.
- Report administrative or operating expenses made from the Headquarters Account, on Line 21(b) of Form 3X titled “Other Federal Operating Expenditures.”
- When itemizing on Schedule B, filers should identify these disbursements by entering “Headquarters Account” in the Purpose of Disbursement field along with the required purpose of the disbursement (e.g., “Headquarters Account – Carpeting”).

Election Recounts and Contests and Other Legal Proceedings Account (“Recount Account”)

- Committees should report contributions deposited into the Recount Account on Line 17 of Form 3X titled “Other Federal Receipts.”
- When itemizing on Schedule A, filers should identify those receipts by entering “Recount Account” in the description field.
- Report administrative or operating expenses made from the Recount Account, on Line 29 of Form 3X titled “Other Disbursements.”
- When itemizing on Schedule B, filers should identify these disbursements by entering “Recount Account” in the Purpose of Disbursement field along with the required purpose of the disbursement (e.g., “Recount Account – Legal Services”).

Political committees with specific questions regarding their reporting obligations may contact the Reports Analysis Division at (800) 424-9530 (at the prompt, press 5). Others may contact the Information Division at (800) 424-9530 (at the prompt, press 6).

*(Posted 02/18/2015)*

**Resources:**

- [Press Release \(February 13, 2015\)](#)
- [Consolidated and Further Continuing Appropriations Act, 2015 \(H.R. 83\)](#) [PDF]
- *Record* article: [National Parties May Establish New Accounts](#)

# Advisory Opinions

## AO 2014-21: Disaffiliation of Two SSFs

Cambia Health Solutions, Inc. PAC is no longer affiliated with Blue Cross and Blue Shield Association PAC because the relationship between the organizations has changed. As a result, the two separate segregated funds (SSFs) no longer share limits on the contributions they receive or make.

### **Background**

Cambia Health Solutions, Inc. (Cambia) is a nonstock health insurance corporation that manages a number of health service plans and operates as a licensee of the Blue Cross and Blue Shield Association (Blue Cross) to engage in the sale and management of health insurance marketed under Blue Cross names and marks. As a result of these licensing agreements, Cambia must follow Blue Cross policies, participate in certain Blue Cross programs, and satisfy certain financial benchmarks.

In an earlier advisory opinion (AO), the Commission concluded that Blue Cross was affiliated with each of its licensed plans in the United States. See [AO 1990-22 \(Blue Cross\)](#). Although most of Cambia's business is conducted under Blue Cross marks, it has expanded into other businesses, including some that compete directly with other Blue Cross licensees. Cambia remains a licensed plan of Blue Cross, but it maintains that the overall business relationship between the two has significantly evolved over time, and therefore the two SSFs should no longer be considered to be affiliated with one another.

### **Legal Context**

The Federal Election Campaign Act and Commission regulations specify that political committees, including SSFs, are per se affiliated if they are established, financed, maintained or controlled by the same persons, including any parent or subsidiary, branch, division, department or local unit thereof. 52 U.S.C. § 30116(a)(5) and 11 CFR 100.5(g)(2); 110.3(a)(1)(ii). Affiliated committees share a single contribution limit both on contributions received and contributions made by each committee. 11 CFR 100.5(g)(2) and 110.3(a)(1). In the absence of per se affiliation the Commission may examine the relationship between organizations that sponsor committees, the relationship between the committees themselves, and the relationship between one sponsoring organization and a committee established by another organization in order to determine whether committees are in fact affiliated. 11 CFR 100.5(g)(4)(i). Commission regulations provide for ten circumstantial factors to be considered "in the context of the overall relationship" in order to assess affiliation status among committees or organizations. 11 CFR 100.5(g)(4)(i)-(ii) and 110.3(a)(3)(i)-(ii).

### **Affiliation Factors**

Blue Cross played no role in the formation of Cambia, nor did Cambia play a role in the formation of Blue Cross. Blue Cross has no voting rights in Cambia and Cambia does not have significant representation on Blue Cross' governing board (only two out of a total of 38 seats). Neither Cambia nor Blue Cross has the authority to hire, appoint, demote or otherwise control the officers or decision-making employees of the other organization. There are also no overlapping or common members, officers or employees for either Cambia or Blue Cross, and although Cambia employs two former Blue Cross employees, of more than 5,000 total Cambia employees, this was not significant enough to indicate affiliation between Cambia and Blue Cross.

Blue Cross does provide Cambia with the exclusive right to use its marks in four individual states and Cambia provides funds to Blue Cross in the form of licensing and membership fees. Also, Cambia's SSF has transferred monies in the past to Blue Cross' SSF (which is permissible among affiliated committees). However, in examining the context of the overall relationship between Cambia and Blue Cross, the Commission determined that Cambia has become "substantially diversified beyond the health insurance products it markets under the licensing agreements with Blue Cross."

While Cambia's overall operations remain heavily tied to its licensing agreements with Blue Cross, the Commission has previously held that negotiated business arrangements between two entities do not in and of themselves result in affiliation between two or more entities. See [AOs 2012-21 \(Primerica\)](#), [1999-39 \(WellPAC\)](#), and [1996-23 \(ITT\)](#).

The circumstances of Cambia and Blue Cross are similar to the situation presented in [AO 2014-11 \(HCSC\)](#), where the Commission determined that the SSF of Health Care Services Corporation, another Blue Cross licensee, was disaffiliated from Blue Cross' SSF because it had become extensively involved in other lines of business that were not affected by its agreements with Blue Cross.

Thus, the Commission concluded that Cambia's and Blue Cross' SSFs are no longer affiliated. They do not meet the criteria for per se affiliation and the licensing agreements between Cambia and Blue Cross are outweighed by the absence of facts that indicate affiliation between the two.

*Date Issued: February 12, 2015; Length: 9 pages.*

*(Posted 02/23/2015; By: Myles Martin)*

## Resources

- [Advisory Opinion 2014-21](#) [PDF]
- [Commission Discussion of Advisory Opinion Request 2014-21](#) 

## Outreach

### **[FEC to Host March 25 Webinar for Member/Labor Organizations and their PACs](#)**

The Commission will hold a one-day online seminar for membership and labor organizations and their political action committees (PACs) on Wednesday, March 25, 2015. Commission staff will conduct several technical workshops on the federal campaign finance laws affecting these organizations and their PACs. Workshops are designed for those seeking an introduction to the basic provisions of the law as well as for those more experienced in campaign finance law.



Attendees can choose one of two options for the morning session, Basics for Beginners or Recent Developments in the Law. The afternoon will feature a two-part workshop on Member/Labor PAC operations. Participants will be able to download electronic copies of the workshop materials in advance, and will receive additional instructions and technical information shortly before the event. For more information, and a detailed agenda, please visit the Member/Labor Webinar web page: <http://www.fec.gov/info/conferences/2015/memberlaborseminar.shtml>.

The cost to participate is \$80. Refunds (minus a \$20 registration fee) will be made for all cancellations received by Friday, March 20; no refund will be made for cancellations received after that date. Register online at: <http://www.cvent.com/d/1rqk2q>. Please direct all questions about registration and fees to Sylvester Management Corporation (Phone: 1-800/246-7277; email: [Rosalyn@sylvestermanagement.com](mailto:Rosalyn@sylvestermanagement.com)). For other questions call the FEC's Information Division at 1-800/424-9530 (press 6), or send an email to [Conferences@fec.gov](mailto:Conferences@fec.gov).

***Webinar Schedule:***

**March 25, 2015**

**Morning Sessions**

- Option 1: Basics for Beginners, 10:30 AM - 12:00 PM EDT
- Option 2: Recent Developments in the Law, 10:30 AM - 12:00 PM EDT

**Afternoon Sessions**

- Member/Labor PAC Operations Part 1, 1:15 - 2:45 PM EDT
- Member/Labor PAC Operations Part 2, 3:00 - 4:30 PM EDT

*(Posted 02/19/2015; By Isaac Baker)*

**Resources:**

- [Educational Outreach](#)