



APPROVED DECEMBER 11, 2017

**MINUTES OF AN OPEN MEETING
OF THE
FEDERAL ELECTION COMMISSION
THURSDAY, JANUARY 12, 2017**

PRESENT: **Steven T. Walther, Chairman, presiding**

 Caroline C. Hunter, Vice Chair

 Lee E. Goodman, Commissioner

 Matthew S. Petersen, Commissioner

 Ann M. Ravel, Commissioner¹

 Ellen L. Weintraub, Commissioner

 Alec Palmer, Staff Director

 Lisa Stevenson, Acting General Counsel

 Dayna C. Brown, Acting Secretary and Clerk

¹ Commissioner Ravel participated by telephone.

Chairman Steven T. Walther called the Federal Election Commission to order in an open meeting at 10:16 A.M. on Thursday, January 12, 2017 with a quorum present.

Chairman Walther welcomed everyone to the first Open Meeting of the year. He pledged to do his best to ensure the Commission continues to fulfill its mission to protect the integrity of the campaign finance system, fairly and equitably enforcing the campaign finance laws under the Commission's jurisdiction. Chairman Walther noted that in learning first-hand about the electoral systems in Central and South America, Europe, and Northern Africa, including how campaigns are funded and how money is disclosed, it is his view that there is no campaign finance disclosure system in the world that can match the level of transparency maintained by the Federal Election Commission (FEC). He further noted that critics of the FEC should understand that it accomplishes the goal of transparency in an exceedingly effective and accurate manner. Chairman Walther highlighted the FEC's disclosure system and the manner in which filings are processed and reviewed, including the approximate 11,000 entities that file reports with the Commission; the approximate 150,000 filings received in a two-year election cycle and placed on the public record within 24 to 48 hours, as required by law; and the review of each filing by a Campaign Finance Analyst and notification to the filer of any issues that arise with the

respect to the accuracy of the filings. He detailed the nearly 24 million pages reviewed, 17,000 email and paper contacts with filers, and 14,360 calls and meetings that occurred between the FEC's Reports Analysis Division and the filing community in 2016, all of which allowed misstatements and potentially serious violations to be corrected at the outset, to significantly reduce the number of cases that would otherwise come before the Commission through the formal enforcement process.

Chairman Walther noted that more could be done to promote transparency within our campaign finance system, such as Senate committees filing electronically in order to provide more immediate and useful public disclosure.

Chairman Walther stated that while he believes the Commission should take a more robust approach in the way it interprets the law in many cases, it should be born in mind that a lack of consensus on some important issues is directly tied to Congress' decision to structure the agency such that no more than three of the six Commissioners are from the same political party, and the requirement of a minimum of four votes for most decisions. He further noted that he believes there should be more of a focus on the remarkable level of unanimity achieved by the Commission regarding numerous decisions made on a day-to-day basis, and indicated that while Commissioners may hold diverging views of the laws governing campaign finance, he is hopeful that this year the Commission can work as one body to effectively interpret and enforce the laws.

Chairman Walther recognized the consensus needed on important management decisions to improve the agency's efficiency and fairness of administration. He cited his awareness of the FEC's low staff morale rating, and discussed the informal sessions he and Commissioner Petersen held with staff earlier in the week.

Lastly, Chairman Walther commended the FEC staff who have devoted their careers to furthering the agency's mission.

Chairman Walther recognized Vice Chair Hunter who said she looked forward to working with the Chairman as Vice Chair, noting that several productive meetings have already taken place between the two. Vice Chair Hunter expressed her agreement with much of the Chairman's remarks, including the Chairman's explanation of how FEC staff has helped to promote the transparency of the agency; celebrating the fact that we have a campaign finance system that far exceeds that of the rest of the world; the Chairman's goals of 1) trying to make the FEC a better place to work for staff; and 2) trying to move things forward in a collegial manner. Vice Chair Hunter reiterated that she looked forward to working with the Chairman in the coming year.

Chairman Walther recognized Vice Chair Hunter who

MOVED to suspend the rules on the timely submission of

**agenda documents so that the Commission may consider
Draft Advisory Opinion 2016-21, Agenda Document
No. 16-58-C (Draft C).**

**The motion carried by a vote of 6-0 with Commissioners Goodman, Hunter,
Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.**

I. DRAFT ADVISORY OPINION 2016-21

**Great America PAC by Michael T. Morley, Esq. and
Dan Backer, Esq.**

Agenda Document No. 16-58-A (Draft A)

Agenda Document No. 16-58-B (Draft B)

**Agenda Document No. 16-58-C (Draft C)
(Submitted Late)**

(Held over from the meeting of December 8, 2016)

**Chairman Walther recognized Ms. Joanna Waldstreicher of the General
Counsel's Office who presented the draft advisory opinion concerning the
application of the Federal Election Campaign Act of 1971, as amended, and the
Commission regulations to Great America PAC's request. The requestor, a non-
connected hybrid political committee, planned to hire individuals and vendors to
contact potential voters through phone banks to expressly advocate the election
of presidential candidate Donald Trump, and intends to engage in similar
activities in future elections. The requestor anticipates that some of the
individuals will have performed similar work for a candidate or state or national
party committee within the previous 120 days. The requestor asks several**

questions about its proposed employment of persons who have previously been employed by a candidate or political party, and whether certain communications made by those employees or by the requestor would constitute coordinated communications. Ms. Waldstreicher summarized the conclusion shared by each of the three Drafts.

Chairman Walther called for a motion. Vice Chair Hunter then

MOVED to approve Agenda Document No. 16-58-C (Draft C).

The motion carried by a vote of 6-0 with Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.

II. DRAFT ADVISORY OPINION 2016-23

**Socialist Workers Party by Michael Krinsky, Esq.
and Lindsey Frank, Esq.**

Agenda Document No. 17-01-A (Draft A)

Chairman Walther stated that there was a request to hold the matter over, and it would therefore be held over to the February 23, 2017 open meeting. Vice Chair Hunter clarified that the matter was being held over at the request of the requestor. Chairman Walther then

MOVED to approve of supporting the requested extension.

The motion carried by a vote of 6-0 with Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.

Chairman Walther recognized Mr. Adav Noti of the General Counsel's Office who informed the Commission that the requestor asked that the matter be considered on a specific date in March. Mr. Noti asked if the Commission would like him to inform the requestor that the Commission intends to consider it on February 23 instead. The Chairman said yes and Mr. Noti stated that they would do so.

III. REVISED PROPOSAL TO LAUNCH RULEMAKING TO ENSURE THAT U.S. POLITICAL SPENDING IS FREE FROM FOREIGN INFLUENCE

**Memorandum from Commissioner Ellen L. Weintraub
dated September 28, 2016**

Agenda Document No. 16-49-A

(Held over from the meeting of September 29, 2016)

Chairman Walther recognized Commissioner Weintraub who stated that with the potential for more corporate spending and renewed avenues for corporations to be more intervening in elections, this could provide a pathway for foreign actors to try to use corporations as a pathway to influence our elections. This has been a concern of hers for some time, pre-dating the news of recent months, about foreign actors willing to take aggressive and innovative steps to influence our elections. While not a response to that, hearing what our security agencies have said about this, she is all the more concerned.

Commissioner Weintraub cited the history of the topic including proposals for a rulemaking going back to 2011; her March 2016 Op-ed; a Commission Hearing in

the summer of 2016 involving experts on issues related to foreign influence on our elections; her early September 2016 proposed rulemaking; and the proposal currently before the Commission which is more targeted, focusing on issues related to percentage of foreign ownership, board membership of corporations, foreign government ownership, the type of corporation, and implementation measures.

Commissioner Weintraub then

MOVED to take the following actions:

- 1. Open a rulemaking incorporating the ideas contained in Commissioner Weintraub's September 28, 2016 memorandum; Chairman Walther's September 15, 2016 memorandum; and Vice Chair Hunter and Commissioners Goodman and Petersen's September 15, 2016 Proposed Policy Statement.**
- 2. Direct the Office of General Counsel to prepare the appropriate regulatory text for public comment.**

Discussion continued.

The motion failed by a vote of 3-3 with Commissioners Ravel, Walther, and Weintraub voting affirmatively for the motion. Commissioners Goodman, Hunter, and Petersen dissented.

Chairman Walther then recognized Commissioner Weintraub who

MOVED to open a rulemaking to only address issues raised in Topic 3 of her current proposal: Foreign government ownership.

Chairman Walther recognized Commissioner Goodman who raised a point of order noting that Commissioner Weintraub's second motion was part of her first motion, which failed 3-3, and a matter cannot be raised and voted on twice in the same meeting.

Chairman Walther recognized Commissioner Weintraub who stated that the motion was not the same, but rather a much narrower version of what the Commission just voted on.

Discussion continued on the point of order, with Commissioner Goodman yielding on the matter. Discussion then resumed on the subject of foreign influence on elections.

Chairman Walther recognized Commissioner Goodman who introduced a document entitled *Statement of Policy: Application of the Foreign National Prohibition to Domestic Corporations Owned or Controlled by Foreign Nationals and Safe Harbor for Knowledge Standard*, a revised policy he previously proposed to the Commission. He noted that the proposal continues to include a certification mechanism whereby an American company that donates to a super PAC would have to certify their compliance with the foreign national prohibition, and includes a new section which underscores the prohibition against foreign nationals -- including foreign government, foreign government officials, and foreign citizens -- from having any involvement in the decisions of American citizens at American companies to engage in political activity.

Commissioner Goodman then

MOVED this document as a substitute to the pending motion.

Chairman Walther recognized Commissioner Weintraub who raised a point of order asking the Commission's Parliamentarians whether Commissioner Goodman's motion to amend her motion requires four (4) votes to pass, such that the substance of his motion would not be voted on until the Commission votes on whether to allow the substitute motion. Discussion followed regarding *Robert's Rules of Order* and a motion to amend a pending motion.

The meeting recessed at 11:18 A.M. and reconvened at 11:34 A.M. with a quorum present.

III. REVISED PROPOSAL TO LAUNCH RULEMAKING TO ENSURE THAT U.S. POLITICAL SPENDING IS FREE FROM FOREIGN INFLUENCE (continued)

Chairman Walther stated that the substitute motion is entitled to consideration.

Discussion continued.

Chairman Walther called the vote for Commissioner Goodman's substitute motion.

The substitute motion failed by a vote of 3-3 with Commissioners

Goodman, Hunter, and Petersen voting affirmatively for the motion.

Commissioners Ravel, Walther, and Weintraub dissented.

Chairman Walther called the vote for Commissioner Weintraub's second motion.

The motion failed by a vote of 3-3 with Commissioners Ravel, Walther, and Weintraub voting affirmatively for the motion. Commissioners Goodman, Hunter, and Petersen dissented.

IV. JANUARY – JULY 2017 MEETING DATES

Memorandum from Chairman Steven T. Walther dated January 3, 2017

Agenda Document No. 17-02-A

(Informational Only)

This matter was resolved on tally and was not discussed.

Chairman Walther recognized Commissioner Goodman for a point of personal privilege. Commissioner Goodman noted that Brandis Zehr would be departing the FEC this week. Ms. Zehr began working for Commissioner Goodman about a year ago, having previously worked with Wiley Rein and the Jeb Bush for President campaign. Ms. Zehr is returning to Wiley Rein.

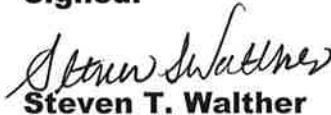
Commissioner Goodman described Ms. Zehr as a consummate professional, friend, and colleague, with an amiable approach to her work. He wished her well in the private practice as she facilitates the exercise of first amendment rights.

Chairman Walther echoed Commissioner Goodman's appreciation and well wishes.

V. MANAGEMENT AND ADMINISTRATIVE MATTERS

**There being no further business to come before the Commission,
the meeting adjourned at 11:50 A.M.**

Signed:


Steven T. Walther

Chairman of the Commission

Attest:



**Dayna C. Brown
Secretary and Clerk of the Commission**