

## ADVISORY OPINION 1975-36

### Payment of Administrative Costs Incurred by a Corporation on Behalf of a Political Action Committee Operating as a Separate Segregated Fund

The Federal Election Commission issues this Advisory Opinion under 2 U.S.C. §437f in response to a request submitted by the Committee for Thorough Agricultural Political Education. The request was published in the Federal Register on August 20, 1975 (40 FR 36534). Interested parties were given an opportunity to submit comments relating to the request. No comments were received.

The Committee for Thorough Agricultural Political Education (C-TAPE), a multi-candidate political committee, requests an opinion as to whether the payment of an obligation of a predecessor committee would be a violation of the Federal Election Campaign of 1971, as amended. (FECA)

In 1972 and 1973, the Trust for Agricultural Political Education (TAPE) transferred funds in the amount of \$1,931,541.09 to C-TAPE. C-TAPE was established by the Associated Milk Producers, Inc. (AMPI). The Commission is informed that in the normal course C-TAPE reimburses AMPI for expenses that AMPI incurs on its behalf. However, TAPE did not reimburse AMPI or its predecessor, Milk Producers, Inc. (MPI) for any expenses incurred during the period 1969 through March 1972. On June 19, 1975, AMPI billed C-TAPE for the TAPE expenses in the amount of \$162,500 for that period. C-TAPE indicated that it considers the bill rendered for the expenses to be reasonable. C-TAPE has requested an advisory opinion on whether the payment of the bill from AMPI would violate the FECA.

It is the opinion of the Commission that C-TAPE's payment of the bill submitted by AMPI would not violate the FECA nor any of the provisions of Title 18, United States Code, which are within the advisory opinion jurisdiction of the Commission. C-TAPE must, of course, disclose the payment in the appropriate report.

The Commission's approval of the described transaction is conditioned on the validity of an assumption that the payment by C-TAPE is not made in satisfaction of any obligation previously incurred by AMPI in violation of applicable Federal law.

This advisory opinion is issued on an interim basis pending promulgation by the Commission of rules and regulations or policy statements of general applicability.