



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 6, 1976

AO 1976-86

Mr. John Gilchrist
Campaign Manager
McDonald for Congress
1420 Londondale Parkway
Newark, Ohio 43055

Dear Mr. Gilchrist:

This is in response to your letter dated September 7, 1976, received at the Commission on September 16, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act").

You state in your letter that the McDonald for Congress Committee contracted for billboards to be displayed throughout the 17th Congressional District for a period of one month. Following expiration of the month contract, a certain number of billboards continued to display the McDonald for Congress advertisement since no advertiser had purchased the same boards. Following customary industry practice, the advertising companies made no effort to cover the board until they had another paying customer. You ask whether the continuation of the display beyond the contractual period constitutes an illegal corporate contribution by a billboard company, where it is standard practice of the company to keep a poster up until a different customer rents the board.

Corporations are prohibited from making contributions or expenditures in connection with any Federal election. See 2 U.S.C. §441b and Part 114 of the Commission's proposed regulations (copy enclosed). Contribution is defined to include among other things a gift of a thing of value. A gift will not be imputed in the circumstances you set forth if it is in the ordinary course of the corporation's business to continue the display of one client's advertising until new advertising is contracted with another client as a replacement. However, if the corporation deviates from its normal course of business and this deviation has the effect of extending the display of the political advertisement in question, a prohibited corporate contribution would result. For example, the corporation may not reject other customers for the same space, decrease its solicitation of business or take other action which directly or indirectly dissuades potential customers. Furthermore, the original contract with your committee or

Mr. McDonald must not have been entered into with an express or implied obligation for the advertiser to continue display of your advertising material beyond the contractual period.

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Sincerely yours,

(signed)
Vernon W. Thomson
Chairman for the
Federal Election Commission

Enclosure [8/25/76 reprint of Federal Register]