



FEDERAL ELECTION COMMISSION
Washington, DC 20463

August 11, 1978

AO 1978-48

The Honorable James A. McClure
United States Senate
Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator McClure:

This responds to your letter of July 13, 1978, which requests an advisory opinion regarding your proposed lease of an electric car from General Electric Company and application of the Federal Election Campaign Act of 1971, as amended ("the Act") to this proposed transaction.

Specifically, you ask whether your proposed lease of this vehicle is permitted by the Act and whether this would affect the status of your waiver of candidate reporting filed with the Commission pursuant to 11 CFR 101.3.

In your letter of July 13, 1978 and in supplemental communications you state that the cost of leasing this vehicle will be borne by you personally and that the lease contract is for a period of five months. This electric vehicle will be used by you personally to commute to your office in Washington, D.C. from your residence in Virginia while you are working in Washington. During approximately half of the five months lease period you will be in Idaho campaigning for re-election and it is your intention to ship this electric vehicle to Idaho and use it as a demonstration vehicle at certain public appearances.

The Commission believes that your lease of the electric car is permitted by the Act but would be considered a contribution from you to your principal campaign committee to the extent that the vehicle is used in Idaho in connection with your campaign for Federal office. See 2 U.S.C. 431(e) and Commission regulations at 11 CFR 100.4.

As your use of the electric car will not be financed by campaign monies and the terms of the lease agreement appear to be substantially the same as those that would be offered to any individual desiring to lease a vehicle from General Electric Company under similar conditions, we believe that there is no provision of the Act or the Commission's regulations which would prohibit the use of this vehicle by you in commuting to your office in Washington, D.C. from

your residence in Virginia. However, as it is your intention to ship the car to Idaho for use during your campaign for Federal office, a reasonable allocation of the cost of leasing this vehicle must be attributed to the portion of the lease period in which the vehicle is used in conjunction with your campaign.¹ For example, if you choose to maintain this vehicle in Idaho and use it for campaign related appearances for two months of the five months lease period, two-fifths of the lease cost plus the cost of shipping the vehicle to and from Idaho would be considered to be a contribution from you to your principal campaign committee and would need to be reported as such in accordance with 2 U.S.C. 434(b) and 11 CFR 104.2.

Concerning your waiver of candidate reporting, we believe that the status of this waiver would not be altered by this transaction so long as your principal campaign committee filed the appropriate reports and statements with the Commission reflecting that portion of the lease cost of the vehicle attributed to campaign related use, plus the shipping costs, as an in-kind contribution from you to the committee.²

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

Sincerely yours,

(signed)

Joan D. Aikens
Chairman for the
Federal Election Commission

¹ See AO 1977-12, copy enclosed, for allocation of costs between campaign and non-campaign related office expenses.

² 11 CFR 110.10 permits candidates to make unlimited expenditures from personal funds for purposes of influencing their own election.