



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 20, 1978

AO 1978-74

Mr. Robert A. Sugarman  
Kaplan, Dorsey, Sickling and Hessen  
P.O. Drawer 520337  
Miami, Florida 33152

Dear Mr. Sugarman:

This refers to your letter of September 12, 1978, requesting an advisory opinion on behalf of the Engineers Political Action Committee of the International Union of Operating Engineers (IUOE), Local 675, concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the use of payroll deduction plans to collect political contributions.

Specifically, you have asked whether a payroll deduction plan may be used to facilitate contributions to the Engineers Political Action Committee of the International Union of Operating Engineers (IUOE), Local 675, from members of Local 675 if such a plan is provided for in the collective bargaining agreement between Lone Star Florida, Inc. ("the corporation"), and IUOE, Local 675, regardless of whether the corporation provides payroll deduction for facilitating political contributions by its non-union employees. You also ask more generally whether the same payroll deduction plan to facilitate political contributions may be made available to other IUOE members, who are employed by other companies signatory to collective bargaining agreements with IUOE Local 675, pursuant to amendments to existing collective bargaining agreements even though the employers may not provide payroll deduction for political contribution purposes to its non-union employees.

Section 441b(b) of Title 2, United States Code, provides for establishment by corporations and labor unions of separate segregated funds, and for facilitating the making of contributions to such funds. Commission regulations at 11 CFR 114.5(k)(4) provide that lawful methods of facilitating contributions may be made available by corporations to labor unions regardless of whether or not the corporation makes such methods available to the corporation's stockholders or executive or administrative personnel.

"If a corporation uses no method to solicit voluntary contributions or to facilitate the making of voluntary contributions from stockholders or executive or administrative personnel, it is not required by law to make

any method available to the labor organization for its members. The corporation and the labor organization may agree upon making any lawful method available even though such agreement is not required by the Act."

See also the Report of the Committee of Conference on S. 3065, Report No. 94-1057, p. 62, 1976, and Advisory Opinion 1978-23 (copy enclosed).

Accordingly, it would be permissible under the Act for Lone Star Florida, Inc., and other employers of IUOE members, to make payroll deduction plans available to IUOE, Local 675, for the purpose of facilitating political contributions by members of IUOE, Local 675, to the Engineers Political Action Committee.

The Commission notes that all contributions facilitated by means of a payroll deduction system used by IUOE Local 675 members must be otherwise lawful under the Act, and contributions collected via the system must have been solicited and obtained in a manner which complies with 2 U.S.C. 441b(b)(3) and 114.5(a) of the Commission's regulations. See also 11 CFR 114.1(i).

This response constitutes an advisory opinion concerning the 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

Enclosure