



FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 9, 1979

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-8

Gordon O. Pehrson, Jr.
Sutherland, Asbill & Brennan
1666 K Street, N.W.
Washington, D.C. 20006

Dear Mr. Pehrson:

This is in response to your letter of February 26, 1979, requesting an advisory opinion on behalf of the China Clay Producers Group Political Action Committee ("the PAC") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to activities of executive and administrative personnel of a trade association's member corporations.

Your letter states that the PAC is a separate segregated fund of the China Clay Producers Group ("the Group"), an unincorporated trade association of producers of China clay. You note that, at present, all members of the Group are corporations. The affairs of the PAC will be conducted by a Steering Committee, which consists of its officers* and other persons as may be appointed by the Group upon majority vote. The executive and administrative personnel of the Group's member corporations normally will carry out the PAC's activities (i.e. selecting candidates to receive contributions, preparing and making solicitations, etc.). Usually these individuals will be members of the PAC's Steering Committee, but occasionally other executive and administrative personnel of member corporations, who are not members of the PAC's Steering Committee may conduct activities on behalf of the PAC. Your letter notes that solicitations will be done orally, or by personal letter or memorandum from the soliciting employee. All such activities by the Group's member employees on behalf of the PAC will be occasional and incidental to their principal employment duties and normally will not exceed one hour per week or four hours per month. However, on infrequent occasions the equivalent of one work day per calendar quarter may be necessary to perform the described PAC solicitations. Administrative costs such as printing and postage will be paid by the PAC directly or by reimbursement.

* A Chairman, Vice Chairman, Treasurer, and Assistant Treasurer

You ask whether, under these circumstances, executive and administrative personnel of member corporations (which have granted the required separate and specific approval for a solicitation) acting for the Group and the PAC may participate in the operational, administration, and solicitation activities of the PAC without violation of 2 U.S.C. 441b or other applicable provisions of the Act.

Under the Act, a trade association or a separate segregated fund established by a trade association may solicit contributions from the stockholders and executive or administrative personnel of member corporations to the extent that such solicitation has been separately and specifically approved by the member corporation involved, and such member corporation does not approve any such solicitation by more than one such trade association in any calendar year. 2 U.S.C. 441b(b)(4)(D), 11 CFR 114.8.

Commission regulations state that there is no limitation on the method of soliciting voluntary contributions or the method of facilitating the making of voluntary contributions which a trade association may use with one exception not relevant here. See 11 CFR 114.8(e)(3). The phrase "method of soliciting voluntary contributions" is defined to include mailings, oral requests for contributions, and distribution of pamphlets. 11 CFR 114.1(g). In explaining the application of 114.8(a) to participation by corporate members of a trade association in solicitations for the separate segregated fund of the trade association, the Commission concluded that incidental services by corporate members would not require reimbursement by the trade association since, in any event, reimbursement if required would come from membership dues paid to the trade association by its corporate members. Federal Election Regulations, Explanation and Justification, House Document No. 95-44, page 114. See also Advisory Opinion 1978-13, copy enclosed.

The Commission concludes that in the circumstances described in your letter the executive and administrative personnel employed by the Group's corporate members may participate in the operational, administration and solicitation activities of the PAC. A membership organization, such as a trade association, may use general treasury monies (i.e. monies obtained in commercial transactions, dues monies or membership fees) for the establishment, administration and solicitation of contributions to its separate segregated fund. 11 CFR 114.5(b). Since the Group is permitted to spend dues monies from its corporate members for the establishment, administration, and solicitation of contributions to the PAC, it may also

have the benefit of incidental services (described above) provided by executive and administrative personnel of its member corporations who conduct those same activities.

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