



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 31, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-48

Mr. James S. Eastham
Rexnord, Inc.
P.O. Box 2022
Milwaukee, Wisconsin 53201

Dear Mr. Eastham:

This responds to your letter of August 16, 1979, on behalf of the Rexnord Inc. Political Action Committee ("the PAC"), requesting an advisory opinion on the applicability of the Federal Election Campaign Act of 1971, as amended ("the Act"), to a newspaper advertisement urging individuals to register to vote.

Your letter states that Rexnord, Inc. ("Rexnord"), wishes to run an advertisement in a general circulation newspaper (such as the Milwaukee Journal) the text of which would read "Please Register to Vote" with "Rexnord, Inc." printed in a lower corner of the advertisement. You ask the Commission to determine:

- (1) Whether the PAC may pay for the advertisement as described above;
- (2) Whether Rexnord may reimburse the PAC for costs of the advertisement, or, alternatively, may Rexnord pay for the advertisement directly from corporate funds.

In answer to your first question, the Commission concludes that the PAC may pay for the described advertisement. Commission regulations at 11 CFR 114.5(i) provide that a separate segregated fund using voluntary contributions may finance communications with the general public.¹ In addition, the Commission has recognized in prior advisory opinions that a political committee may spend its funds for any lawful purpose which is not prohibited by the Act or Commission regulations. See Advisory Opinions 1979-42, and 1978-36, copies enclosed. Any

¹ These communications may not solicit contributions to the separate segregated fund from persons who are not solicitable. See 2 U.S.C. 441b(b)(4) and 11 CFR 114.5(g).

payments made by the PAC for the advertisement would be reportable as disbursements even though they are not PAC "expenditures" in view of 2 U.S.C. 431(f)(4)(B) and (F). See 11 CFR 104.2(b).

Your second question raises the issue of whether 2 U.S.C. 441b or Commission regulations would prohibit Rexnord from paying for the described advertisement with corporate funds either directly, or by reimbursing the PAC.

As you know, 441b(a) prohibits any corporation from making a "contribution or expenditure in connection with any election" for Federal office. For purposes of 441b, contribution or expenditure includes, in part, any "direct or indirect payment" or any gift of money or anything of value "to any candidate, campaign committee, or political party or organization, in connection with any election to" Federal office. 2 U.S.C. 441b(b)(2). This definition does not include, however, payments made in connection with nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive and administrative personnel and their families. 2 U.S.C. 441b(b)(2)(B). Commission regulations go on to explain that while a corporation may support nonpartisan registration and get-out-the-vote drives which are not restricted to its stockholders and executive or administrative personnel such activity is permitted only when the corporation jointly sponsors the activity with a civic or nonprofit organization which does not support or endorse candidates or political parties. 11 CFR 114.4(d)(1), see also Advisory Opinion 1978-102, copy enclosed.

Because the financing of the described advertisement is nonpartisan voter registration activity undertaken by Rexnord that is neither restricted to Rexnord's stockholders and executive or administrative personnel nor jointly sponsored by a nonprofit, nonpartisan civic organization, the Commission concludes that Rexnord may not pay for the advertisement directly from corporate funds. Moreover, Rexnord may not reimburse the PAC for the costs of the advertisement since the Act prohibits indirect payments which, if paid directly, would be unlawful under 441b.

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)

Robert O. Tiernan
Chairman for the
Federal Election Commission