



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 14, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-62

Mr. Bruce N. Hahn
Staff Executive
Tooling and Machining PAC
9300 Livingston Road
Washington, D.C. 20022

Dear Mr. Hahn:

This responds to your letter of October 25, 1979, in which you request an advisory opinion on behalf of the Tooling and Machining PAC concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to certain proposed solicitation activities of that group.

Your request describes the Tooling and Machining PAC as a "Political Action Committee of the industry consisting of the manufacturers of tooling, dies, precision machinery, molds, special machines, and those firms providing service equipment or materials to these manufacturers." Commission records indicate that the Tooling and Machining PAC lists the National Tool, Die and Precision Machining Association (hereinafter "NTDPMA"), a trade association, as its connected organization.

Information contained in your original request, and in your supplemental letter of December 31, 1979, which responded to the General Counsel's request for further information, indicates that NTDPMA is composed of fifty federated chapters created and chartered by NTDPMA. Membership in NTDPMA requires membership as well in local chapters. You state further that there are "four independent groups representing the same industry which are loosely affiliated with NTDPMA". These groups operate in the same geographic area as NTDPMA and share an interest in similar issues connected with the manufacture of tooling and die precision machinery. The four groups have similar membership requirements and represent the same industry. You state that the Chicago Tool and Die Institute (hereinafter "CTDI") is one of the four "independent groups" that is "affiliated but not federated" with NTDPMA. It has similar membership requirements and overlapping membership with NTDPMA but it does not sponsor a

separate segregated fund. You say that the two groups work closely together on many issues of common interest.

You also state that the Tooling and Machining PAC currently "requests permission to solicit and subsequently solicits, when approval is given," only members of NTDPMA, but that your organization would like to solicit the "executive personnel of companies and corporations who are members of CTDI and are not presently members of NTDPMA...". You explain that the plan to solicit CTDI members should be permissible because membership requirements of the two groups are very similar; membership of both groups is made up of the same type of companies; and the goals and interests of both organizations are essentially the same. Consequently, you ask whether solicitation by the Tooling and Machining PAC of the executive personnel of corporations which are members of CTDI, but not of NTDPMA, would be permissible under the Act.

Commission regulations define a trade association as "a membership organization of persons engaged in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce..." 11 CFR 114.8(a). Solicitation of contributions by a trade association or its separate segregated fund is expressly limited by the Act and Commission regulations to:

the stockholders and executive or administrative personnel of the member corporation's of such trade association and the families of such stockholders or personnel 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). See also 11 CFR 114.8(c).

Therefore, a trade association or its separate segregated fund would be precluded by the Act from soliciting the executive or administrative personnel of corporations which are not members of that trade association even though the "target" corporations may be members of another association with similar goals, interests, and membership requirements. Thus, neither NTDPMA nor the Tooling and Machining PAC may solicit the executive personnel of any member corporations of CTDI which are not members of NTDPMA.

The Commission recognizes that a federation of trade associations, that is, an "organization representing trade associations involved in the same or allied line of commerce," would be permitted under the Commission's regulations to solicit members of the federation's regional, state, and local affiliates or members, provided that all political committees established, financed, maintained, or controlled by the federation or its regional, state and local affiliates or members are considered one political committee for purposes of contribution limitations under the Act. 11 CFR 114.8(g). However, you have stated that CTDI is one of the four "independent groups" that are "affiliated but not federated [with NTDPMA]." Thus, NTDPMA is not a

federation of trade associations and would be precluded, along with the Tooling and Machining PAC, from soliciting voluntary contributions from executive personnel of corporations which are not members of NTDPMA.

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Robert O. Tiernan
Chairman for the
Federal Election Commission