



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 19, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1980-100

Mr. Charles Azarow, President
Revere Sugar Corporation
120 Wall Street
New York, New York 10005

Dear Mr. Azarow:

This responds to your letter of August 6, 1980 requesting an advisory opinion on behalf of Revere Sugar Corporation ("Revere") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the establishment of a separate segregated fund by Revere.

Revere is a Delaware corporation formed in March 1977 for the purpose of acquiring the Sweetner Division of SuCrest Corporation. Revere is engaged in the business of purchasing and refining raw cane sugar and marketing refined sugar for industrial and retail consumption. Revere owns and operates three cane sugar refining facilities located in Brooklyn, New York, Charlestown, Massachusetts, and Chicago, Illinois. Revere's executive offices are located in, New York, New York.

Revere is wholly owned by a citizen of the Philippines, by two Netherlands Antilles corporations, and by one Philippine corporation which is owned by such citizen. Revere has two directors, both of whom are Philippine citizens and each of whom is also an officer of Revere. In addition, Revere has one other officer who is a Philippine citizen. However, the majority of Revere's executive and administrative personnel, including the President, the Executive Vice President and Treasurer, the Senior Vice President - Marketing and Manufacturing, the Vice President - Research and Technical Services and the Vice President - Controller, are United States citizens.

You state that Revere proposes to sponsor a political committee ("the Committee"). The Committee will be a separate segregated fund established under 2 U.S.C. 441b(b)(2)(c). You add that Revere, through certain of its executive and administrative personnel, will establish,

administer and solicit contributions to the Committee to be utilized for political purposes. You state further that Revere and the Committee will not solicit contributions from, and the Committee will not accept contributions from, persons who are foreign nationals as such term is defined by 2 U.S.C. 441e(b). Furthermore, the individuals who will exercise decision making authority with respect to Committee activities will be citizens of the United States (or persons lawfully admitted for permanent residence in the United States), that is, individuals who are not foreign nationals. In addition, decisions made for the Committee will not be dictated or directed by those shareholders, directors or officers of Revere who are foreign nationals, or by any other foreign national.

You have asked whether it is permissible for Revere to establish and maintain the Committee under these circumstances. In light of the Act's prohibition against contributions from "foreign nationals," your request raises the issue of whether Revere's payment of the Committee's establishment, administration and solicitation costs constitute a contribution by a foreign national.

The term "foreign national" is defined by 2 U.S.C. 441e(b)(1) to mean a "foreign principal" as such term is defined specifically by 22 U.S.C. 611(b). Section 611(b) defines "foreign principal" as including:

- (1) a government of a foreign country and a foreign political party;
- (2) a person outside of the United States, unless it is established that such person is an individual and a citizen of and domiciled within the United States, or that such person is not an individual and is organized under or created by the laws of the United States or of any State or other place subject to the jurisdiction of the United States; and
- (3) a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.

Under §611(b) a domestic corporation whose principal place of business is within the United States is not a "foreign principal" and hence not a "foreign national." under 2 U.S.C. 441e. The Commission is therefore of the opinion that Revere's existence as a discrete corporate entity organized under the laws of Delaware, with its principal place of business in the United States, would permit Revere to establish and maintain the Committee in the manner described in your request.

The Commission reaches this conclusion on the basis of your representation that the individuals who will exercise decision-making authority with respect to Committee activities will not be foreign nationals and that contributions to the Committee will not be solicited or accepted from persons who are foreign nationals as otherwise specified under 2 U.S.C. 441e. See Advisory Opinion 1978-21, copy enclosed. Of course, any solicitations for contributions, as well as contributions to and expenditures by the Committee, must conform with all other applicable provisions of the Act and Commission regulations. Initially, the Commission notes its audit

authority with respect to activities of the Committee and emphasizes that, pursuant to the audit or other authority under 2 U.S.C. 437d and 438, the process and personnel involved in Committee decision-making is subject to Commission scrutiny.

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)

Max L. Friedersdorf
Chairman for the
Federal Election Commission

Enclosures (AO 1978-21)