



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

June 9, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1980-40

Mr. William L. Hudson  
Orrick, Herrington, Rowley & Sutcliffe  
600 Montgomery Street, 11th Floor  
San Francisco, California 94111

Dear Mr. Hudson:

This responds to your letter of April 8, 1980, requesting an advisory opinion on behalf of Transamerica Corporation Political Action Committee ("TRANSPAC") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to TRANSPAC's status as a multicandidate committee.

You state that TRANSPAC<sup>1</sup> was recently formed in March, 1980 and is in the process of soliciting administrative and executive personnel of Transamerica Corporation for contributions. You note that TRANSPAC has identified the Occidental Life Insurance Company of California Political Action Committee ("OXY-PAC") as an affiliated committee on TRANSPAC's Statement of Organization (FEC Form 1),<sup>2</sup> since OXY-PAC is the separate segregated fund of a wholly owned subsidiary of Transamerica Corporation. OXY-PAC was formed in July, 1979,<sup>3</sup> has 37 contributors and has made contributions to 3 candidates for Federal office. Under these circumstances you ask whether TRANSPAC may avail itself of OXY-PAC's term of existence,

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<sup>1</sup> The Commission notes that 2 U.S.C. 432(e)(5) requires that the names of any separate segregated fund established pursuant to 441b(b) shall include the name of its connected organization. Commission regulations state that such fund may, however, use a clearly recognized abbreviation or acronym by which the connected organization is commonly known. Both the full name and such abbreviation or acronym shall be included on the fund's Statement of Organization, on all reports filed by the fund, and in all notices required by 441d. See 11 CFR 102.14. See also Advisory Opinions 1980-10, and 1980-23, copies enclosed. An appropriate change in TRANSPAC's name and OXY-PAC's name as required by 432(e)(5) must be filed within ten days. 2 U.S.C. 433(c).

<sup>2</sup> Commission regulations require a political committee to provide the names and addresses and relationships of any affiliated committees or connected organizations. See 11 CFR 102.2(a)(1)(ii) and 102.2(b)(1)(ii).

<sup>3</sup> Both OXY-PAC and TRANSPAC at the times of their formation registered under 2 U.S.C. 433.

number of contributors, and number of contributions made, in determining whether TRANSPAC qualifies as a "multicandidate political committee" pursuant to 2 U.S.C. 441a(a)(4). Stated differently, you ask whether TRANSPAC will be deemed a "multicandidate committee" when it receives contributions from an additional 14 persons and makes contributions to an additional 2 candidates for Federal office.

Under the Act the term "political committee" is defined to include any separate segregated fund established by a corporation. 2 U.S.C. 131(4)(B). The Act further provides that in any case in which a corporation and any of its subsidiaries establish or finance or maintain or control more than one separate segregated fund, all such separate segregated funds shall be treated as a single separate segregated fund (i.e., a single political committee) for purposes of the Act's contribution limitations. 2 U.S.C. 441a(a)(5). A "multicandidate political committee" is defined as a political committee which has been registered under 433 for a period of not less than 6 months, has received contributions from more than 50 persons, and (except for any state political party organization) has made contributions to 5 or more candidates for Federal office. 2 U.S.C. 441a(a)(4).

The term "multicandidate political committee," is defined with reference to the phrase "a political committee" which includes a separate segregated fund, and all the separate segregated funds established by a corporation and its subsidiaries (as well as its branches, divisions, departments or local units) become a single entity for contribution limit purposes. 2 U.S.C. 441a(a)(5). Such affiliated committees not only share the same limitations on the contributions they receive and make, but also have the benefits of affiliation in that those committees may make unlimited transfers with each other. 11 CFR 102.6(a) at 45 Fed. Reg. 15106 (March 7, 1980) and Advisory Opinion 1977-21, copy enclosed.<sup>4</sup> Accordingly, the Commission concludes that for purposes of satisfying the 441a(a)(4) requirements for multicandidate committee status, TRANSPAC may avail itself of OXY-PAC's length of existence, number of contributors to OXY-PAC and number of contributions made by OXY-PAC. At such time as TRANSPAC and OXY-PAC, taken as one, satisfy the requirements set forth in 2 U.S.C. 441a(a)(4), then both TRANSPAC and OXY-PAC will be deemed multicandidate committees for purposes of the Act.

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<sup>4</sup> See also the Commission's conclusion in response to Advisory Opinion Request 1976-37 (copy enclosed) that one of a group of affiliated committees does not need to separately qualify as a multicandidate political committee if one of that group has already qualified under 441a(a)(4).

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 (Re: AOR 1976-37, AO 1977-21)