



FEDERAL ELECTION COMMISSION
Washington, DC 20463

May 14, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1982-30

Vincent R. Angelli
Sunrise-Sunset Corporation
6316 Capella Avenue
Burke, Virginia 22015

Dear Mr. Angelli:

This responds to your letter of April 5, 1982, requesting an advisory opinion on behalf of the Sunrise-Sunset Corporation ("the Corporation") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations to the sale of a discount coupon book to a Federal candidate for use as a fund-raising item.

The Corporation is an organization incorporated in the State of Virginia. During the past year it designed, produced and marketed a discount coupon book targeted primarily at the luncheon business in the Washington, D.C., area. The coupon book consists of numerous discount coupons redeemable at various restaurants. The Corporation has been marketing the book in three ways: "as a fund-raiser; as a premium (give-away); and to specifically identified groups at a substantial discount." The book has "retailed for as much as \$10" when sold by fund-raising groups and has been offered by the Corporation to specific groups with large potential buying power for as low as \$3 wholesale. The Corporation would like to sell these books to a candidate running for the United States Congress in the 10th Congressional District of Virginia. The candidate would use the books to induce contributors to contribute to his/her campaign. The price per book to the campaign committee has not yet been determined, but will be based upon the number of books ordered. You ask whether this arrangement would violate any provision of the Act.

The Commission's regulations at 11 CFR 100.7(a)(1)(iii), state that if goods or services are provided at less than the usual and normal charge, the difference between the usual and normal charge and the sale price would be a contribution from the seller. Since 2 U.S.C. 441b prohibits corporate contributions to Federal candidates in any amount, the Corporation may not sell the discount coupon books to a Federal candidate at less than its usual and normal charge. The

Commission views a discount below the "usual and normal charge" to be a contribution if the discount is not routinely offered in the vendor's ordinary course of business to non-political clients. See Advisory Opinion 1978-45 and Re: AOR 1976-30, copies enclosed. While the Commission recognizes that the Corporation has sold these books at different prices depending on the purchaser, the campaign committee must be treated by the Corporation in the same manner as a similarly situated volume purchaser.

The restaurants represented in the discount coupon book have not made a contribution to a Federal candidate merely by being included in the book. The various restaurants participating in the discount coupon book plan are doing so to attract business to the restaurant rather than to finance a political campaign. The restaurants involved have apparently entered into a normal business venture with the Corporation. Accordingly, it does not appear that any contribution from the restaurants would occur as a result of their honoring coupons presented by persons who received the coupon books from the campaign committee as an incentive for a political contribution.

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 by your request. See 2 U.S.C. 437f.

Sincerely,

(signed)

Frank P. Reiche
Chairman for the Federal Election Commission

Enclosures (AO 1978-45, Re: AOR 1976-30)