



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 3, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1983-23
Harry McPherson, Esquire
Douglas M. Steenland, Esquire
Verner, Liipfert, Bernhard & McPherson
Suite 1100
1660 L Street, N.W.
Washington, D.C. 20036

Dear Mr. McPherson & Mr. Steenland:

This responds to your letter of August 23, 1983, requesting an advisory opinion on behalf of the LTV Corporation ("LTV") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to LTV's establishment of a reception facility near the site of the 1984 Republican National Convention ("the Convention"), which will be held in Dallas, Texas, on August 20-23, 1984.

Your request states that LTV plans to establish a reception facility in an existing commercial building near the Convention to enable representatives of LTV to meet with Convention delegates, Federal and state elected officials, Reagan Administration members, Republican Party officials, and the press. You state that the proposed facility will probably accommodate no more than 150 people and will be open throughout the day, and that food and beverages will be available free of charge to invited guests. You note that admission to the facility will be by invitation only and that LTV will be responsible for issuing all invitations. You add that LTV contemplates inviting many, if not all, of the delegates to the Convention.

According to your request, all expenses related to the proposed reception facility will be paid for by LTV. Furthermore, you state that this proposal was made at LTV's initiative and not at the request or direction of the Republican Party or Convention officials. Finally, you state that the facility will not be used to attempt to influence the outcome of the Convention, for official Convention events, for soliciting contributions, or for expressly advocating the election or defeat of a candidate for Federal office.

Your request also states that LTV is considering sponsoring a separate cocktail reception in a hotel ballroom or other similar facility near the Convention site on the evening of August 19, 1984. This function would be sponsored jointly by LTV and the publisher (a corporation) of a leading weekly news magazine. You state that LTV and its cosponsor intend to invite to this function all the delegates to the Convention, Republican Party officials, Reagan Administration members, various Federal and state elected officials, and members of the press covering the Convention. You also note that LTV and its cosponsor intend to hold a similar reception on the evening preceding the opening of the Democratic National Convention in San Francisco in July 1984.

Your request states that expenses related to the proposed cocktail reception will be paid for entirely by LTV and the cosponsor. You add that the event has been planned at their initiative and not at the request, direction, or under the supervision of the Republican Party or convention officials. You further state that no attempt will be made to influence the outcome of the Convention, and that the reception will not be used to solicit contributions or to advocate the election or defeat of any candidates for Federal office.

Given this factual situation, you ask whether payments by LTV for the proposed reception facility and separate cocktail reception would constitute contributions, or expenditures under the Act, and specifically whether these payments would be barred by the prohibitions in 2 U.S.C. 441b against corporate contributions or expenditures in connection with a political convention relating to a Federal election.

The Commission concludes that payments for both the reception facility and the cocktail reception would not constitute contributions or expenditures under the Act. This response is conditioned on your assertions that no attempt will be made to influence the outcome of the Convention in any manner, and that the purpose of these functions is neither to solicit contributions to, nor to advocate the election or defeat of, any candidate for Federal office. See Advisory Opinion 1980-22, copy enclosed.

The Commission also rests this conclusion on: (1) its understanding that neither function will have as its purpose the defrayal of any delegate's subsistence expenses during the convention, see 11 CFR 110.14(f); and (2) your statement that LTV will exercise full control over all the proposed activities. This situation is distinguishable from the one presented in Advisory Opinion 1978-22, copy enclosed, where a Federal candidate was sponsoring a hospitality suite at a state party convention.

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)

Danny L. McDonald
Chairman for the Federal Election Commission

Enclosed (AO 1980-22 and 1978-22)