



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 10, 1987

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1987-24

Mr. John B. Simon
Jenner & Block
One IBM Plaza
Chicago, Illinois 60611

Dear Mr. Simon:

This responds to your letter of July 20, 1987, requesting an advisory opinion on behalf of Hyatt Corporation concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the provision of discounted or complimentary items to candidates for Federal office.

You state that Hyatt Corporation is a major hotel chain and that it is customary in the hotel industry for groups booking blocks of rooms, or holding banquets or other events, to receive discounts or complimentary items from the hotel. In accordance with this custom, Hyatt hotels routinely provide discounted or complimentary rooms, flowers, food, beverages, and other amenities ("Complimentary Items") to customers who reserve a block of rooms or hold banquets. You state that each Hyatt hotel establishes its schedule of Complimentary Items based on the competitive conditions facing that hotel. These Complimentary Items are offered in a consistent fashion to all customers, depending on the amount of business the customer generates.

According to your request, Federal election candidates, particularly Presidential candidates and their staffs, generally reserve enough rooms to receive complimentary treatment. You ask whether it is permissible under the Act and Commission regulations for Hyatt Corporation to provide the described Complimentary Items to candidates for Federal office.

The Act prohibits a corporation from making a contribution or expenditure in connection with any Federal election. 2 U.S.C. 441b(a). The term "contribution or expenditure" is defined to include "any direct or indirect payment, distribution, loan, advance, deposit, or gift or money, or any services, or anything of value . . . to any candidate, [or] campaign committee . . . in

connection with any [Federal] election2 U.S.C. 441b(b)(2) and 11 CFR 114.1(a)(1). The Commission's regulations describing the term "anything of value" 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 amount actually charged the political committee would constitute an in-kind contribution from the seller. 11 CFR 100.7(a)(1)(iii); see also Advisory Opinions 1986-22 and 1985-28.

In the situation you present, Hyatt Corporation proposes to provide its Complimentary Items to political candidates and Committees on the same terms and conditions as it does to its other, non-political clients. For this reason, the Commission concludes that Hyatt Corporation will be viewed as providing goods and services to such candidates and committees at the usual and normal charge and therefore will not be viewed as making a prohibited corporate 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 in your request. See 2 U.S.C. 437f.

Sincerely,

(signed)

Scott E. Thomas
Chairman for the Federal Election Commission

Enclosures (AOs 1986-22 and 1985-28)