



FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 10, 1992

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1991-36

John E. Impert
Assistant General Counsel
The Boeing Company
PO Box 3707, MS 13-08
Seattle, WA 98124-2207

Dear Mr. Impert:

This responds to your letter of November 12, 1991, as supplemented by your letter dated November 25, 1991, requesting an advisory opinion on behalf of the Boeing Company ("Boeing") and the Boeing PAC (the "Committee") regarding the application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the payment by Boeing and the Committee of expenses related to a national political party fundraising event.

You state that Boeing has received an invitation from the Democratic Congressional Campaign Committee (the "DCCC") to attend a "Colorado ski weekend," which the DCCC is hosting. According to the invitation materials included in your request, the weekend, described as "an opportunity to develop friendships with DCCC friends," is scheduled to occur from January 9, to January 12, 1992. The materials state that the registration costs are \$2,000 per attendee and the attendee is responsible for air transportation and lodging.

You state that Boeing is "actively considering" sending a corporate representative to attend the event. Because, as you state in your request, the ski weekend is considered a fundraising event, the Committee intends to pay the representative's registration fee. However, your request proposes that Boeing, using corporate treasury funds, would reimburse its representative's travel and lodging costs. You ask whether this is permissible under the Act and Commission regulations.

Under 2 U.S.C. 441b, a corporation is prohibited from making a contribution or expenditure in connection with any election to Federal office. However, an exception to this prohibition permits

the expenditure of corporation treasury money for the "establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a ...corporation..." 2 U.S.C. 441b(b)(2)(C). The terms "establishment, administration and solicitation costs" are defined in the regulations as "... the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, fundraising and other expenses incurred in setting up and running a separate segregated fund established by a corporation..." 11 CFR 114.1(b).

In several opinions, the Commission has reviewed situations concerning administration and solicitation costs. These costs have been found to include such items as indemnification insurance provided to PAC officers (Advisory Opinion 1980-135), costs of printing checks to be used by the PAC (Advisory Opinion 1983-22), and the costs to manage a payroll deduction program (Advisory Opinion 1987-34). Where an expense was not found to qualify for the exception, specifically the payment of tax on interest income, the Commission concluded it was because such cost was not "incurred in pursuit of voluntary contributions, the maintenance of those contributions, or the utilization of those contributions for political purposes." Advisory Opinion 1977-19.

With regard to travel expenses, the Commission has found such expenses to be within the scope of section 114.1(b) administrative expenses where they were incurred by the PAC or corporate employees who were attending PAC meetings or PAC sponsored events. See Advisory Opinions 1978-13 and 1980-50. The facts in your request differ somewhat from these earlier opinions in that the travel is not to a PAC event but an event sponsored by another political committee in which Boeing wishes to participate through its PAC. Nonetheless, such participation by the Boeing PAC could be viewed as an administrative expense under 11 CFR 114.1(b). In light of the above, the Commission concludes that Boeing's proposal to use corporate treasury funds to pay travel and lodging costs for attendance of a Boeing representative at the fundraising event is not prohibited by the Act or Commission regulations.

This response constitutes an advisory opinion concerning the 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)

Joan D. Aikens
Chairman for the Federal Election Commission

Enclosures (AOs 1987-34, 1983-22, 1980-135, 1980-50, 1978-13, 1977-19)