



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: The Commissioners
Staff Director
General Counsel
FEC Public Records
FEC Press Office

FROM: *MWE* Marjorie W. Emmons
Secretary of the Commission

DATE: April 13, 1994

SUBJECT: Comment: Proposed AO 1994-3

Transmitted herewith is a timely submitted comment from Mr. M. Joel Bolstein on behalf of EnviroSource, Inc.

Advisory Opinion 1994-3 is before the Commission at tomorrow's open meeting.

Attachments:
2 pages

LAW OFFICES OF
DECHERT PRICE & RHOADS

477 MADISON AVENUE
NEW YORK, NY 10022-3891
(212) 326-3300

PRINCETON PIKE CORPORATE CENTER
P.O. BOX 5218
PRINCETON, NJ 08543-5218
(609) 330-3200

TWENTY NORTH MARKET SQUARE
HARRISBURG, PA 17104-1603
(717) 237-3000

M. Joel Babin
(215) 994-2943

4000 BELL ATLANTIC TOWER

1717 ARCH STREET
PHILADELPHIA, PA 19103-2798

TELEPHONE: (215) 994-4000

FAX: (215) 994-3333

1900 K STREET, N.W.
WASHINGTON, DC 20006-1208
(202) 636-3300

TEN POST OFFICE SQUARE - SOUTH
BOSTON, MA 02109-4608
(617) 722-7100

33 BEDFORD SQUARE
LONDON WC1B 3EK, ENGLAND
(071) 631-3333

63 AVENUE LOUISE, BOX NO. 4
1050 BRUSSELS, BELGIUM
(02) 535-3483

April 12, 1994

VIA TELECOPY

Federal Election Commission
Office of the Commission Secretary
999 E Street, N.W.
Washington, DC 20463

Re: Comments on Proposed Advisory Opinion 1994-3

To the Commission:

On behalf of our client EnviroSource, Inc. ("EnviroSource"), we are submitting the following comments regarding draft Advisory Opinion 1994-3, which will be on the Commission's agenda for its public meeting of April 14, 1994.

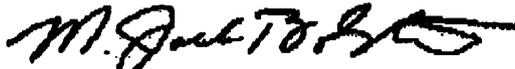
Our first comment concerns the discussion of tax consequences appearing in footnote 1 on page 4. EnviroSource requests that the last two sentences in footnote 1 be deleted from the Advisory Opinion because the advice regarding the tax implications for the corporate sponsor is unnecessary and goes beyond the advice requested by EnviroSource on the legality of its matching plan under the Federal Election Campaign Act of 1971 and FEC regulations. It is difficult to reconcile the discussion in footnote 1 with the following statement on page 7 of the draft Advisory Opinion: "The Commission expresses no opinion regarding any tax ramifications of the proposed matching charitable contribution plan because those issues are outside the Commission's jurisdiction." (draft at page 7). Since the Commission was not asked for tax advice and it does not purport to give tax advice, we request that the last two sentences in footnote 1 be deleted.

Federal Election Commission
April 12, 1994
Page 2

Our second comment concerns the phrasing used in clause (4) of footnote 2 on page 5 of the draft Advisory Opinion. This footnote discusses the requirements of Section 114.6 of the FEC's regulations regarding twice yearly solicitations. Section 114.6(c) of the regulations provides that all written solicitations must inform the recipient: "(1) of the existence of the custodial arrangement described hereinafter; (2) that the corporation, labor organization or the separate segregated fund of either cannot be informed of persons who do not make contributions; and (3) that persons who, in a calendar year make a single contribution of \$50 or less, or multiple contributions aggregating \$200 or less may maintain their anonymity by returning their contributions to the custodian." 11 CFR 114.6(c). It does not appear that footnote 2 is intended to impose any requirements over and above those included in Section 114.6. If this is the case, EnviroSource requests that the wording of clause (4) in footnote 2 be modified to read as follows: "(4) that anonymity is granted to those who make a single contribution of \$50 or less or multiple contributions aggregating \$200 or less in a calendar year and return their contributions to the custodian." The change suggested is a minor one that does not, in any way, affect the meaning of footnote 2. It does, however, more closely track the language in section 114.6(c).

Please feel free to call me at (215) 994-2942 if you have any questions.

Sincerely,



M. Joel Bolstein

MJB:js
cc: Office of General Counsel