

FMC Corporation
Executive Offices
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Chicago Illinois 60601
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COMMISSION
OFFICE OF GENERAL
COUNSEL

April 13, 1994

Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Washington, D.C. 20463

AOR 1994-11

Re: FMC Corporation
Request for Advisory Opinion

Ladies and Gentlemen:

This is a request for an advisory opinion by the Federal Election Commission ("FEC") (2 USCS 437f, 11 CFR Part 112, Advisory Opinions). The undersigned is counsel for and is authorized by FMC Corporation to make this request.

FMC Corporation ("FMC") is a Delaware corporation with its corporate headquarters in Chicago, Illinois. FMC has been a government defense contractor for many years. In January, 1994 FMC and Harsco Corporation ("Harsco"), another government defense contractor, organized a limited partnership ("United Defense L.P", hereafter "UD") to carry on all of FMC's and most of Harsco's defense contractor business.

Under the terms of the partnership agreement, FMC is the general partner of UD and has 60% of the equity interest in the partnership. A wholly owned subsidiary of Harsco holds the other 40% interest as a limited partner. Under the partnership agreement, FMC has management control of UD.

For many years FMC has sponsored a separate segregated fund ("SSF"), as permitted by 2 U.S.C. 441b(2)(C), 11 CFR 115.3 and other applicable regulations ("FMC Corporation Good Government Program" hereafter called "GGP", FEC Identification Number C00033704). FMC's defense

business that was transferred to UD, and many of the eligible FMC executive and administrative employees that are part of the FMC defense business transferred to UD, participated in the GGP program.

FMC as managing, controlling and general partner plans to include UD executive and administrative employees in its SSF, as part of FMC's GGP. FMC would continue to pay most of the administrative and solicitation expenses of GGP. It would not reimburse UD for the time UD's employees may spend assisting in such solicitation or the use of UD's facilities for such solicitation purposes. UD's payroll services are provided by FMC. UD's executive and administrative employees would be permitted to participate in the GGP payroll plan (some former FMC employees that are now UD employees have continued to participate).

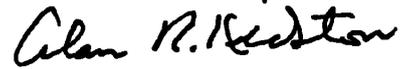
We understand that corporate SSFs are permitted to solicit executive and administrative employees of controlled partnerships. AO 1985-23; AO 5959; AO 1992-17. AO 1992-17 also permits "partnerships owned entirely by corporations and affiliated with at least one of those corporations" to pay "establishment, administrative, and solicitation costs without contribution consequences..." UD is owned entirely by corporations and, based on FEC rulings and regulations, is affiliated with FMC, the controlling partner.

AO 1992-17 did not involve federal contractors but the rational applies equally to federal contractors. We therefore conclude that FMC's GGP can solicit UD executive and administrative employees, that without reimbursement by FMC eligible UD employees can participate in GGP activities, can attend solicitation meetings conducted by GGP in UD's facilities, and can participate in FMC's GGP payroll deduction plan without causing UD to make an unlawful contribution or otherwise violate 2 USC 441c, Contributions by Government Contractors.

We understand that FMC's GGP could change its name to include UD, but would not be required to do so. AO 1989-8. We conclude that UD would be an affiliate of FMC but not a connected organization of GGP under the circumstances described above. We assume that Harsco would not be an affiliate or connected organization of UD or FMC or GGP.

Your prompt response to this request would be appreciated. If additional information is needed, I can be reached at the above address. My direct telephone number is (312) 861-5936. My Fax number is (312) 861-7127. Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Alan R. Kidston".

Alan R. Kidston
Counsel