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October 17, 1995

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

Dear Mr. Litchfield:

On behalf of our client, Continental Airlines, we respectfully request an advisory opinion to address the question of whether Continental Airlines and what was at one time Eastern Airlines are considered "affiliated" for purposes of 11 U.S.C. § 100.5(g)(2).

In May of 1990, we made a similar request on behalf of this same client which, at that time, was the Texas Air Corporation. In 1990, Eastern Airlines became involved in bankruptcy proceedings. In response to our initial request, dated May 11, 1990, Advisory Opinion 1990-10 was issued by the Commission, which stated therein that ". . . until the parent/subsidiary relationship is legally severed, the Commission considers Eastern's political committee to be affiliated with the political committee of Texas Air."

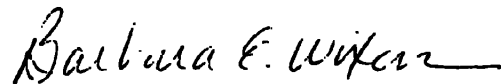
As evidenced by the attached Order for Abandonment of Estate Property, issued by the United States Bankruptcy Court for the District of Delaware, the court ordered that as of December 26, 1991, all debtors "shall be not deemed to hold or own any stock or equity in Eastern Air Lines, Inc., nominally, beneficially or otherwise." The relationship between Continental Airlines, as a debtor, and the former Eastern Airlines, has thus been legally severed.

AOR 1995-40

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COUNSEL
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Accordingly, as no further relationship exists which would sustain a finding of affiliation by the Commission pursuant to 11 U.S.C. §100.5(g)(2), we respectfully request that an Advisory Opinion be issued which recognizes that Continental Employees for a Better Government PAC (CEFBA) and Eastern Airlines Political Action Committee are no longer affiliated for purposes of 11 U.S.C. §110.3(a)(1).

Sincerely,

A handwritten signature in cursive script that reads "Barbara E. Wixon".

Barbara E. Wixon
Williams & Jensen, P.C.

Attachment



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**Barbara E. Wixon
Williams & Jensen
1155 21st Street N.W.
Washington, D.C. 20036-3308**

November 8, 1995

Dear Ms. Wixon:

This refers to your letter dated October 17, 1995, and your conversation with Commission staff concerning the application of the Federal Election Campaign Act of 1971, as amended, to the affiliation status between Continental Airlines ("Continental") and Eastern Airlines ("Eastern") and their two separate segregated funds.

You state that in 1990 you made a similar inquiry which resulted in Advisory Opinion 1990-10. This opinion concluded that because Eastern Airlines was still a subsidiary of Continental Airline, Eastern and Continental Airlines, and their two PAC's were affiliated. Your current inquiry seeks a review of this finding. You include as new information, a copy of an Order of Abandonment of Estate Property issued by the United States Bankruptcy Court for the Federal District of Delaware. The order states that as of December 26, 1991, all debtors "shall not be deemed to hold or own any stock or equity in Eastern Air Lines, Inc., nominally, beneficially or otherwise."

The Act authorizes the Commission to issue an advisory opinion in response to a "complete written request" from any person with respect to a specific transaction or activity by the requesting person. 2 U.S.C. §437f(a). Commission regulations explain that such a request "shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made." 11 CFR 112.1(c).

After a preliminary review of your request, this office has determined that additional information from you is necessary to consider your inquiry. Please provide the following information regarding your proposal:

Celebrating the Commission's 20th Anniversary

**YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED**

Barbara Wixon
Page 2.

1. As your request notes, the Order of Abandonment is effective as of December 26, 1991. Explain why a request for re-examination of the affiliation status is being sought at this time and was not sought earlier. State whether, as of the date of your request, Continental still owns stock in Eastern and, if so, what percentage of Eastern stock is still owned by Continental.
2. Regarding the affiliation status between the separate segregated funds of Continental and Eastern, an option available under the Act is the unlimited transfer of funds from Eastern's separate segregated fund to Continental's separate segregated fund. Explain whether this option was ever considered and with what results.
3. List any directors, officers or administrative personnel common to both Eastern and Continental or common to their two PACs. List any transfer of funds or infusion of capital by Continental into Eastern.
4. Describe any obligation of Eastern such as, for example, payments under Eastern's pension or retirement programs that Continental has guaranteed or is otherwise liable for payment.

Upon receiving your responses to this request for information, this office and the Commission will give further consideration to your inquiry as an advisory opinion request. If you have any questions concerning the advisory opinion process or this letter, please contact Michael Marinelli, the staff attorney assigned to your inquiry.

Sincerely,

Lawrence M. Noble
General Counsel

BY:


N. Bradley Litchfield
Associate General Counsel