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May 25, 2000

Brad Litchfield, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

AOR 2000-13

**RECEIVED
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COMMISSION
OFFICE OF GENERAL
COUNSEL
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Dear Mr. Litchfield:

On behalf of Ampex Corporation ("Ampex") and its wholly-owned subsidiary, iNEXTV Corporation ("iNEXTV"), we request an Advisory Opinion that iNEXTV's proposed video coverage of the Republican and Democratic national conventions over the Internet would be exempt from the definition of contributions and expenditures under 2 U.S.C. § 431(9)(B)(i) and 11 CFR 100.7(b)(2) and 100.8(b)(2), the "press exemption".

Factual Background

Ampex, a for-profit corporation, is one of the world's foremost innovators of video technologies. Ampex's stock is publicly traded and widely held, and Ampex is not owned or controlled by a political party, political committee or a candidate. iNEXTV, Ampex's wholly-owned subsidiary, operates several web sites or channels that webcast original content for special interest audiences. For example, www.istyletv.com provides news and information concerning travel, sports, leisure activities and fashion, and www.aentv.com features news and information concerning the entertainment industry and classic television shows. iNEXTV's web sites are supported by the sale of commercial advertisements.

Another iNEXTV web site, www.exbtv.com, focuses on news and information about the federal government. It webcasts live press conferences, hearings and other public events that originate in the executive and legislative branches, supplies general information on the executive branch, and provides links to related sites. Mr. Hugh Downs, a network television news anchor for many years, provides commentary.

iNEXTV intends to extend www.exbtv.com's coverage of governmental affairs this summer to include gavel-to-gavel coverage of the Republican and Democratic national conventions. Its coverage will also contain interviews with political experts and candidates, as well as commentary by Hugh Downs and Jed Duval.

Discussion

Although the Federal Election Campaign Act of 1971, as amended (the "Act") and the Commission's regulations prohibit corporations from making contributions or expenditures in connection with any Federal election, the Act specifically exempts from the definition of expenditure any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate. 2 U.S.C. § 431(9)(B)(i). Commission regulations similarly exclude from the definitions of contribution and expenditure "[a]ny cost incurred in covering or carrying a news story, commentary, or editorial by any broadcasting station, newspaper, magazine, or other periodical publication." 11 CFR 100.7(b)(2) and 100.8(b)(2). According to the legislative history of this "press exemption," Congress intended to preserve the traditional role of the press with respect to campaigns:

“[I]t is not the intent of the Congress in the present legislation to limit or burden in any way the first amendment freedoms of the press and of association. Thus [the exemption] assures the unfettered right of the newspapers, TV networks, and other media to cover and comment on political campaigns.” H.R. Rep. No. 93-1239, 93d Cong., 2d Sess. at 4 (1974).

According to the Commission (see, e.g., AO 1996-48), several factors must be present for a corporation’s proposed activities to fall within the press exemption. First, the organization must be a press entity as described in the Act and the regulations, i.e., a “broadcast station, newspaper, magazine or other periodical publication.” Although the specific press entities identified in the statute rely on radio and print technology, the Commission has construed the press exemption broadly, in line with the exemption’s legislative history, to include other media of mass communication. The Commission has concluded, for example, that the CSPAN networks, which distribute news and information over coaxial cable and satellite, qualify as press entities (AO 1996-48). It has also held that The Bloomberg, which provides news and commentary via computer linkages, is a press entity (AO 1996-16). These services are essentially indistinguishable from the services that are now provided through iNEXTV’s web sites, and that iNEXTV proposes to provide in connection with the conventions.

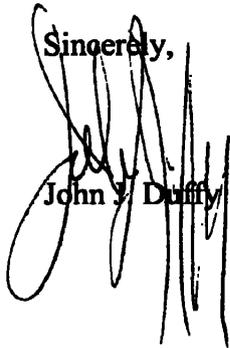
Second, the press entity must not be owned or controlled by a political party, committee or candidate. Ampex is a publicly traded company with widely held shares, and it is not owned or controlled by a political party, committee or candidate.

Third, the press entity must be acting as a press entity in performing the media activity. iNEXTV’s coverage of the conventions is merely an extension of its ongoing news coverage of the federal government.

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We submit, therefore, that iNEXTV's proposed coverage of the Democratic and Republican national conventions falls within the scope of the press exemption.

Sincerely,



John J. Duffy