MEMORANDUM

TO: The Commission

FROM: Office of the Commission Secretary $\angle C$

DATE: September 30, 2024

SUBJECT: AOR 2024-13 (DSCC, Montanans for Tester,

and Gallego for Arizona) Comment from NRSC

Attached is AOR 2024-13 (DSCC, Montanans for Tester, and Gallego for Arizona) Comment from NRSC.

Attachment

RECEIVED

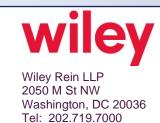
By Office of the Commission Secretary at 3:31 pm, Sep 30, 2024

RECEIVED

By Office of General Counsel at 3:20 pm, Sep 30, 2024

Michael E. Toner 202.719.7545 mtoner@wiley.law

Brandis L. Zehr 202.719.7210 bzehr@wiley.law



wiley.law

September 30, 2024

VIA EMAIL (AO@FEC.GOV)

Federal Election Commission 1050 First Street NE Washington, DC 20463

Re: Comment on Advisory Opinion Request 2024-13 (DSCC, et al.)

Dear Commissioners:

The NRSC, by and through counsel, provides this comment on Advisory Opinion Request ("AOR") 2024-13 submitted by the DSCC, Montanans for Tester, and Gallego for Arizona (collectively, the "Requestors"). The Requestors seek guidance from the Federal Election Commission ("FEC" or "Commission") concerning two yet-to-be-formed joint fundraising committees' proposed dissemination of television advertisements to solicit contributions for the JFCs. Although the Requestors appear hesitant to undertake their own planned fundraising activities, there is a clear legal path for them to do so based on FEC regulations and precedents. We urge the Commission to answer "yes" to Question 1 in the AOR and "no" to Question 3, which would render Question 2 moot.

I. Background

Joint fundraising committee ("JFC") advertising to solicit contributions is not a new phenomenon. For decades, JFCs have raised funds through mass communications such as direct mail and phone calls. In 2007, two federal candidates who sought an advisory opinion contemplated jointly raising funds through "advertising efforts, such as television, radio, and newspaper advertisements." The Commission did not identify any problems with JFC advertising, provided that the JFC allocated the "[e]xpenses for joint advertising efforts that include solicitations" according to the JFC's allocation ratio.² Notably, the Commission expressed no concerns with the content of the proposed JFC advertisements and did not place any content restrictions on such advertisements.

More recently, JFC advertising efforts have expanded to digital advertising. For example, Obama Victory Fund 2012, a JFC comprised of Obama for America, the Democratic National Committee, and numerous Democratic state parties, spent nearly \$41 million for "on-line

¹ AO 2007-24 (Burkee/Walz) at 5 (Dec. 10, 2007).

² *Id*.

advertising."³ The digital advertisements, several of which are attached hereto as Exhibit 1, presumably linked to donation pages or email sign-up pages.⁴ Obama Victory Fund 2012's digital advertisements often included Obama for America's campaign logo and contained a wide variety of electoral content ranging from fundraising promotions⁵ to urging the viewer to "join" or "stand" with President Obama⁶ to attacking President Obama's opponent.⁷ Some of Obama Victory Fund 2012's digital advertisements were nearly identical to advertisements sponsored by Obama for America.⁸

In 2016, Hillary Victory Fund, a JFC comprised of Hillary for America, the Democratic National Committee, and numerous Democratic state parties, spent approximately \$68.8 million on "online advertising." Hillary Victory Fund's display advertisements, a sample of which are attached as Exhibit 2, contained a wide variety of political advocacy content. Similar to Obama Victory Fund 2012, Hillary Victory Fund employed fundraising promotions on an encouraged supporters to "join the team." Hillary Victory Fund's static advertisements also contained language that could potentially be viewed as express advocacy as well as additional language containing explicit words of express advocacy. In addition to static digital advertisements, Hillary Victory Fund also reportedly sponsored video digital advertisements. These digital videos

³ See Obama Victory Fund 2012, Disbursements for 2011-12 Election Cycle, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00494740&two_year_transaction_period=2012&disbursement_description=advertising,

⁴ A common fundraising tactic is to sponsor digital advertisements with a "soft ask" to collect supporters' email addresses and phone numbers. After a supporter provides his or her email address and/or phone number, the political committee will then follow up with a "hard ask" specifically soliciting a contribution. The "hard ask" may appear onscreen immediately after a supporter "signs up" or it may occur in a separate follow-up email or text message.

⁵ See "Official Obama Campaign Store" and "Be Their Guest At The Convention" Advertisements (Exhibit 1).

⁶ See "Stand With Me, Work With Me...Let's Finish What We Started," "Are You In? Join Us," "We've Come A Long Way, But There's Still More To Be Done," and "It's Never Been More Important To Get Involved" Advertisements (Exhibit 1).

⁷ See "Romney-Ryan Plan for Medicare," "Romney-Ryan: Wrong For The Middle Class," "Click To See Mitt Romney's Qualifications" Advertisements (Exhibit 1).

⁸ See "Supreme Court Upholds Obamacare" Advertisements (Exhibit 1).

⁹ See Hillary Victory Fund, Disbursements for the 2015-16 Election Cycle, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00586537&two_year_transaction_period=2016&disbursement_description=online&line_number=F3X-21B.

See "Dinner with Hillary...Enter to Win" and "See Hamilton With Hillary!" Advertisements (Exhibit 2).

See "Join the Teams! Add My Name" and "Hillary Wins Debate...Join the Team" Advertisements (Exhibit 2).

See "I'm With Her" and "Trump Doesn't Speak for Me" Advertisements (Exhibit 2).

¹³ See "I'm Voting for Hillary!" and "Stop Trump" Advertisements (Exhibit 2).

included political messaging, sometimes containing express advocacy, and at the end of the video prompted the viewer to "Text DONATE to 47246" or "Donate today at hillaryclinton.com/go." ¹⁴

Similarly, in 2020, Biden Victory Fund, a JFC comprised of Biden for President, the Democratic National Committee, and numerous Democratic state parties, spent approximately \$82.1 million on "digital advertising." A sample of Biden Victory Fund's display advertisements are attached as Exhibit 3. Like prior presidential JFCs, these advertisements encouraged supporters to "Join Joe's Team" and some included express advocacy. ¹⁶

Presently, Harris Victory Fund, a JFC comprised of Harris for President, the Democratic National Committee, and numerous Democratic state parties, is sponsoring digital fundraising advertisements. Harris Victory Fund's display advertisements, a sample of which are attached as Exhibit 4, likewise contain a variety of electoral content ranging from fundraising promotions to encouraging supporters to "add [their] names" to directly asking for contributions.¹⁷

All the JFC-sponsored advertisements described above were and should continue to be permissible—as should the Requestors' proposed JFC television advertisements. The FEC has never required that a JFC solicitation be boring or uninspiring to qualify as a solicitation, nor has the Commission placed any content restrictions on JFC solicitations in the form of TV advertisements or using any other medium to reach the public. Each JFC determines what type of political and electoral content best motivates their supporters and donors. And, as explained below, Commission regulations and precedents have already determined that JFCs *must* allocate the costs of their fundraising expenses—be it fundraising events or direct mail or digital or television advertisements—according to the allocation formula set forth in their joint fundraising agreement.

II. The Requestors' proposed JFC television advertisements are not "coordinated communications" as a matter of law.

The Requestors appear concerned that their proposed conduct—to create a JFC that engages in joint fundraising through television advertisements—could result in a coordinated communication. Fortunately, there is no need for such concern. The Requestors' proposed JFC advertisements are neither "party coordinated communications" under 11 C.F.R. § 109.37 nor "coordinated communications" under 11 C.F.R. § 109.21 because the payment prongs of these two tests are not met.

See, e.g., Hillary Victory Fund, Daisy | The Briefing, https://www.youtube.com/watch?v=tXyVGjtntO0 ("Vote for Hillary Clinton on November 8. The stakes are too high for you to stay home."); Hillary Victory Fund, Rewind | The Briefing, https://www.youtube.com/watch?v=jcLahk1IO70 ("Reality has no rewind. VOTE.").

¹⁵ See Biden Victory Fund, Disbursements for the 2019-20 Election Cycle, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00744946&two_year_transaction_period=2020&disbursement_description=advertising&line_number=F3X-21B.

See Exhibit 3.

See Exhibit 4.

As an initial matter, it is important to note that the Requestors' yet-to-be-formed JFCs will each include a federal campaign committee as a participant.¹⁸ A JFC in which a federal candidate participates is an authorized committee of the participating candidate.¹⁹ The payment prong of the "party coordinated communication" test requires that the communication at issue be "paid for by a political party committee."²⁰ Because the Requestors' proposed JFCs will be authorized committees of federal candidates, the proposed JFC communications do not meet the payment prong and will not be "party coordinated communications." Similarly, the payment prong of the "coordinated communication" test requires that the communication at issue be "paid for, in whole or in part, by a person other than [the] candidate, authorized committee, or political party committee" with whom the communication is coordinated.²¹ Here, the proposed JFC communications do not meet the payment prong because the proposed JFCs will be authorized committees of federal candidates.

The Commission recently confirmed that JFC-sponsored communications fail the payment prong and cannot be coordinated communications because JFCs pay for their expenses in accordance with a joint fundraising allocation formula. In AO 2024-07, Team Graham, a federal campaign committee, asked whether a JFC in which the campaign participated could potentially make coordinated communications. After noting that "each [JFC] participant must pay its proportionate share of joint fundraising expenses," the Commission confirmed that "because Team Graham will pay the full cost of the public communications attributable to Team Graham, the [JFC] communications will not meet the payment part of the coordinated communication test and, therefore, will not be in-kind contributions to Senator [Graham] or Team Graham."

III. The costs of the Requestors' proposed JFC television advertisements *must* be allocated according to the JFCs' allocation formula, not based upon a time-space ratio.

The Requestors ask whether the costs of their proposed JFC advertisements should be allocated according to the proposed JFCs' allocation formulas or based upon a time-space ratio. However, the Commission has already determined that the costs of JFC advertising *must* be allocated according to the JFC's allocation formula. FEC regulations provide that a JFC "shall calculate each participant's share of expenses based on the percentage of the total receipts each

¹⁸ AOR 2024-13 at 2.

[&]quot;The fundraising representative shall be a reporting political committee and *an authorized committee* of each candidate for federal office participating in the joint fundraising committee." 11 C.F.R. § 102.17(a)(1)(i) (emphasis added).

²⁰ *Id.* § 109.37(a)(1).

²¹ *Id.* § 109.21(a)(1).

²² See AO 2024-07 (Team Graham) (Aug. 29, 2024).

²³ *Id.* at 7.

participant ha[s] been allocated."²⁴ This mandated "funds received" method for allocating fundraising expenses is reflected throughout FEC regulations.²⁵

In AO 2007-24 (Burkee/Walz), the Commission confirmed that a JFC must allocate the costs of its advertising efforts according to the JFC's allocation formula (*i.e.*, the funds received method). The two federal candidates who sought the advisory opinion "intend[ed] to participate in joint advertising efforts, such as television, radio, and newspaper advertisements, bumper stickers, campaign banners, and yard signs, some or all of which may solicit contributions." The Commission explained that "[e]xpenses for joint advertising efforts *that include solicitations* must be allocated to the Burkee Committee and the Walz Committee under the joint fundraising agreement based on each candidate's allocation of receipts from the joint advertising effort." On the other hand, joint advertising efforts "that do not include solicitations" must be allocated according to a time-space ratio. And as explained above, the Commission reaffirmed this core legal requirement a little over a month ago in AO 2024-07 (Team Graham).

Notwithstanding these FEC precedents, the Requestors "believe that a time/space allocation ensures that the payment prong is not met, preventing a coordinated communication." They suggest that the proposed JFCs "only pay for... the portion of the advertisement that fundraises for the [JFC]" and the campaign committees participating in the proposed JFCs "pay[] for the full costs for the part of the advertisement dedicated to advocacy for their election." However, requiring the use of a time-space ratio for JFC advertising would not only amount to overruling the Commission's longstanding precedents and necessitate superseding AOs 2007-24 and 2024-07, but it also would potentially lead to absurd results and create significant ambiguity.

Although the Requestors ask only about JFC-sponsored television advertisements, the legal analysis would presumably apply equally to other types of JFC communications that are "public communications." If JFC advertising is required to be allocated according to a time-space ratio,

²⁴ 11 C.F.R. § 102.17(c)(7)(i)(A) (emphasis added).

See, e.g., id. § 106.6(d) ("If federal and non-federal funds are collected by one committee through a joint activity... the committee shall allocate its fundraising costs based on the ratio of funds received into its federal account to its total receipts from each fundraising program or event."); id. § 106.7(d)(4) ("If Federal and non-Federal funds are collected by a State, district, or local party committee through a joint fundraising activity... the committee must allocate its fundraising costs based on the ratio of funds received into its Federal account to its total receipts from each fundraising program or event.").

²⁶ AO 2007-24 (Burkee/Walz) at 5 (Dec. 10, 2007).

²⁷ *Id.* (emphasis added).

²⁸ *Id.* (citing 11 C.F.R. § 106.1(a)(1)) (emphasis added).

²⁹ See supra nn.22-23 and accompanying text.

³⁰ AOR 2024-13 at 6.

³¹ *Id*.

A "public communication" is "a communication by means of any broadcast, cable, or satellite communication, newspaper, magazine, outdoor advertising facility, mass mailing, or telephone bank to the general public, or any other form of general public political advertising," including "communications placed or promoted for a fee on another person's website, digital device, application, or advertising platform." 11 C.F.R. § 100.26. A communication must

many of the digital advertisements described above sponsored by various presidential JFCs would no longer be permissible and could only be paid for by the presidential campaign participating in the JFC. Moreover, JFCs would presumably be expected to apply a time-space ratio to fundraising phone calls and mail pieces, which likely would involve the minutiae of counting and assessing the words and images dedicated to "fundraising for the JFC" and the words and images "dedicated to advocacy for [the candidate's] election."

It is also unclear the type of content a JFC would need to attribute to a candidate's campaign for allocation purposes. The Requestors suggest that content "dedicated to advocacy for [the candidate's] election" be allocated to the candidate's campaign, but it is uncertain what this would mean. Express advocacy, functional equivalent of express advocacy, PASO, and/or referencing a federal candidate within the coordinated communication reference windows? Under any of these standards, many of the digital advertisements sponsored by various presidential JFCs discussed above would need to be paid for by the presidential campaign—not the JFC. Moreover, Section 106.1(a)(1), the origin of the time-space ratio principle, takes a broader approach and provides that "the attribution shall be determined by the proportion of space or time devoted to each candidate as compared to the total space or time devoted to all candidates." This suggests that the time and space devoted to any candidate reference—regardless of content—in a JFC advertisement would need to be paid by the candidate's campaign and not the JFC. Applying a true time-space ratio to JFC advertising would effectively prevent candidates participating in JFCs from appearing in any JFC advertising whatsoever.

Finally, the Requestors interpret AO 2022-21 (DSCC, et al.) to "stand for the proposition that advertising with dual purposes must be reasonably allocated." While the Commission concluded that the dual-purpose advertisements at issue in AO 2022-21 "must be reasonably allocated," it did not opine on what "reasonably allocated" means. A time-space ratio may be appropriate in other contexts such as "hybrid" advertising, but the FEC has consistently concluded that a "funds received" method (*i.e.*, a JFC's allocation formula) must be used to allocate costs in joint fundraising contexts. Allocating the costs of JFC advertising according to the JFC's allocation formula is a "reasonable allocation" and does not conflict with AO 2022-21. For these reasons, we urge the Commission to answer "yes" to Question 1 in the AOR and "no" to Question 2.

IV. The Commission should not require the Requestors' proposed JFC advertisements to include a joint fundraising notice when the advertisement links to an online contribution page that contains the joint fundraising notice.

Although the Requestors correctly note that Section 102.17(c)(2) requires that "a joint fundraising notice . . . be included with every solicitation for contributions," it is not necessary to

be a "public communication" to qualify as either a "coordinated communication" or a "party coordinated communication." See id. §§ 109.21(c), 109.37(a)(2).

³³ *Id.* § 106.1(a)(1).

³⁴ AOR 2024-13 at 6.

take a rigid view and require that a joint fundraising notice appear in the proposed JFC television advertisements themselves.

The Commission has historically taken a practical approach to disclaimers. FEC regulations have long provided that a "paid for by" disclaimer is not required on "an advertisement of such a nature that the inclusion of a disclaimer would be impracticable." More recently, the Commission amended Section 110.11 to allow "adapted disclaimers" for "internet public communications" when including the full disclaimer is not possible or "would occupy more than 25 percent of the communication." "Adapted disclaimers" strike an appropriate balance between informing the public of the communication's sponsor and recognizing the impracticability of including a full "paid for by" disclaimer in digital advertisements.

Joint fundraising notices are considerably longer than "paid for by" disclaimers—particularly for presidential JFCs that include dozens of state political parties as participants. It is not uncommon for a joint fundraising notice to take up an entire page for printed solicitations. If the Commission requires the Requestors to include a joint fundraising notice in the proposed JFC TV advertisements, the text of the notice would likely be so miniscule that it would not be legible or easily readable, defeating the purpose of the joint fundraising notice. The Requestors have proposed an innovative solution—including a QR code at the end of the proposed JFC advertisements which links to an online JFC donation page—that resolves these issues. If the joint fundraising notice is included on the online JFC donation page, then donors will see the notice before they make a contribution.

This approach is materially similar to the practices the presidential JFCs discussed above have employed with their JFC digital advertisements. None of the presidential JFCs noted above included a joint fundraising notice on the face of their digital advertisements (display or video). Instead, the JFCs included a link from the ad itself to an online donation page or email sign-up page with the joint fundraising notice. The Requestors' proposal to use a QR code is materially similar because viewers can reach the linked online donation page with "one-click."

We urge the Commission to answer "no" to Question 3 in the AOR and permit the Requestors to omit the joint fundraising notice from the proposed JFC advertisements, provided that the JFC advertisements include a QR code or URL that directs the viewer to an online donation page containing the joint fundraising notice.

* * *

We appreciate the opportunity to submit this comment concerning AOR 2024-13.

³⁵ 11 C.F.R. § 110.11(f)(1)(ii).

³⁶ *Id.* § 110.11(g).

Respectfully Submitted,

/s/ Michael E. Toner

Michael E. Toner Brandis L. Zehr

Counsel to NRSC

Exhibit 1 Obama Victory Fund 2012 Digital Display Advertisements





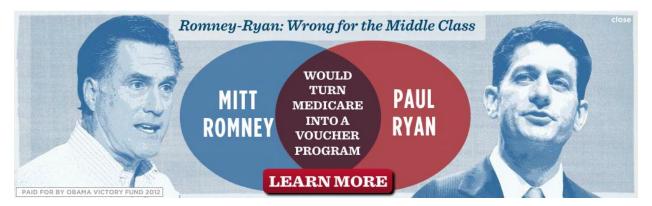












Click to See MITT ROMNEY'S QUALIFICATIONS OBAMA VICTORY FUND 2012





Paid for by Obama for America



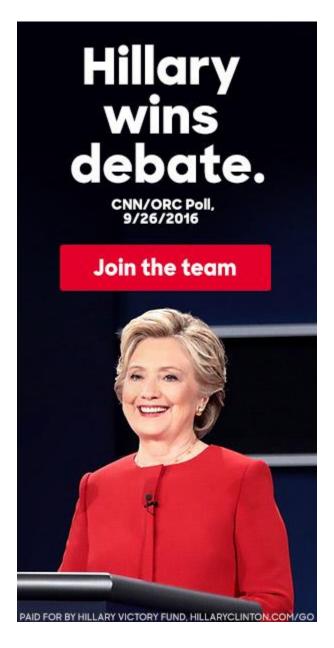
Paid for by Obama Victory Fund 2012

Exhibit 2 Hillary Victory Fund Digital Display Advertisements







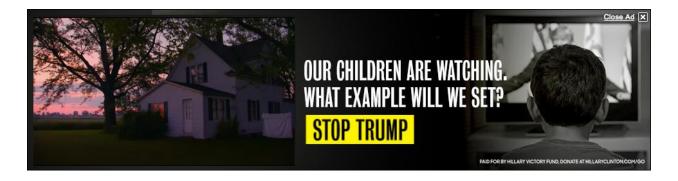












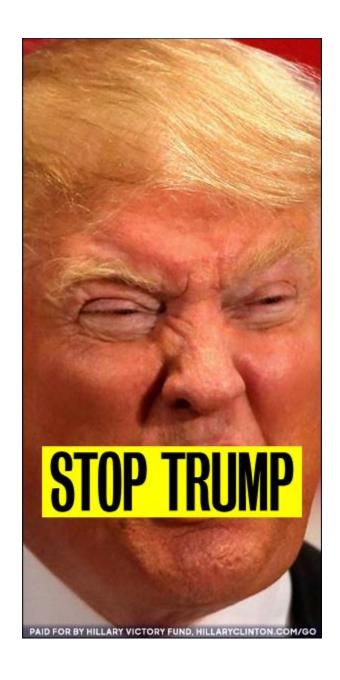


Exhibit 3 Biden Victory Fund Digital Advertisements











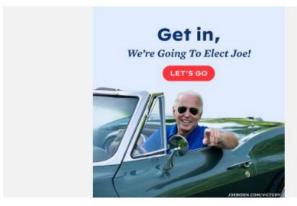
Joe Biden

Sponsored · Paid for by BIDEN VICTORY FUND

Are you ready to elect Joe Biden, Kamala Harris, and Democrats across the country?

With less than 50 days to Election Day, there's never been a more important time to join the team — and we can't win without you.

...



GO.JOEBIDEN.COM
Add Your Name
Donate at JoeBiden.com/victory.

Sign up



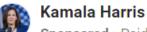
Joe Biden

Sponsored • Paid for by BIDEN VICTORY FUND



SECURE.ACTBLUE.COM Biden Victory Fund

Join us! Contribute today - every dollar helps!



Sponsored • Paid for by BIDEN VICTORY FUND

This is not the time to give in to despair. This is the time to fight like hell to protect everything we believe in.

Together, we can elect Joe Biden president, retake the Senate, and elect Democrats nationwide. But it's going to take an unprecedented outpouring of grassroots support. Will you donate to help us defeat Trump and elect Democrats everywhere today?



SECURE.ACTBLUE.COM
NOT AFFILIATED WITH META
Elect Democrats everywhere - Donate Now
Together we can launch the largest nationwide Get
Out the Vote campaign in history. Donate at...

Donate now



Exhibit 4 Harris Victory Fund Digital Advertisements



Kamala HQ

Sponsored · Paid for by HARRIS VICTORY FUND

Looking for a sign to join Team Harris-Walz? Look no further.





STORE.KAMALAHARRIS.COM

American-made | Union-printed

There's no better way to show your support for Kamala and Tim than with this double-sided corrugated plastic...

Shop now



Kamala Harris

Sponsored • Paid for by HARRIS VICTORY FUND

It is the honor of my lifetime to formally accept your nomination as the Democratic candidate for President of the United States.

Notes

I'm running to be president for all Americans – but it is going to take all of us, and I mean all of

us – doing our part to win in November.

If you're with me, make a weekly donation to support our campaign and Democrats nationwide now.

AND FOR BY AMBRE VICTORY FUND

SECURE.ACTBLUE.COM NOT AFFILIATED WITH META

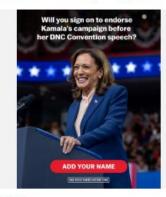
The greatest honor

Our fight is more important now than ever before. Donate now. Donate now



Kamala Harris has spent her entire career – as a prosecutor, Attorney General, Senator, and Vice President – fighting for the people. And now, she needs YOU to fight with HER.

So please, will you sign on to personally endorse her campaign before she officially accepts the Democratic ...



WEB.KAMALAHARRIS.COM

Endorse Team Harris-Walz

Kamala Harris and Tim Walz's names may be the ones at the top of the ticket, but the fight for a better America will be wo...

Sign up



Kamala HQ

Sponsored · Paid for by HARRIS VICTORY FUND

Joe Biden gave his heart and soul to this nation. Thanks to Joe, we made extraordinary progress in four years, from delivering historic investments in clean energy to lowering the costs of prescription drugs. At the Democratic Convention, he made sure to say how grateful he is for folks like you.

•••

Join Democrats across
the country in signing
President Biden's card
to personally thank him for
his extraordinary leadership
and service to our country.
Sign your name below, and
leave a message if you'd like!

WEB.KAMALAHARRIS.COM

Add your name

President Biden's legacy of accomplishment is unmatched in modern history. He got the COVID-19 pandemic under...

Sign up



Tim Walz

Sponsored · Paid for by HARRIS VICTORY FUND

Folks, I'm about to face off against JD Vance – and I'm ready to make him answer for his weird and downright dangerous views.

He and Donald Trump are selling a twisted version of freedom where far-right extremists can invade your doctor's office. Kamala and I believe in a different kind of freedom.

The freedom to keep communities safe from gun violence. The freedom to give every child a chance at getting ahead. The freedom to trust women to decide when and how they start a family.

I'm ready to fight for our future, but I need to know you're with me. Will you start a weekly donation before I take the stage? It would mean a lot.



SECURE.ACTBLUE.COM NOT AFFILIATED WITH META

Urgent weekly donations needed

Our fight is more important now than ever before. Donate now.

Donate now



Tim Walz

Sponsored • Paid for by HARRIS VICTORY FUND

I've gotta tell you: We are in the final stretch. A donation today will go so much further than the same one made later in this game.

If you're a middle-class family,
Kamala Harris will cut your taxes.

If you're squeezed by the price of your
prescriptions, she'll take on Big Pharma.

If you're hoping to buy a home, she is
going to help make it more affordable.

Because that's what we want for
ourselves and our neighbors.

Kamala Harris will fight for your freedom.
If you're with us in the fight, I hope you'll
donate now to elect us and Democrats
nationwide in November.

SECURE.ACTBLUE.COM NOT AFFILIATED WITH META

Final stretch.

Our fight is more important now than ever before. Donate now. Donate now





Help VP Harris Beat Trump

This race will be close

Learn More >