



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

THIS IS THE BEGINNING OF MUR # 3607

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Washington, D.C. 20009
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September 10, 1992
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SENSITIVE
MUR 3607

GENERAL Counsel
Federal Election Commission

Re: Northwest Airlines, Inc.
5101 Northwest Drive
St. Paul, Minn. 55111-3034

Dear General Counsel:

This is a complaint. I request that the FEC investigate the apparent use of corporate funds by Northwest Airlines, Inc., in support of the reelection campaign of Robert Kasten as a U.S. Senator from Wisconsin. Mr. Kasten was on the September 8, 1992 primary ballot winning the Republican nomination. He will be on the November 3, 1992 general election ballot.

Attached is the September 1992 issue of Northwest Airlines World Traveller published by Northwest (see p. 10). This magazine is given free to Northwest passengers. On pp. 36-38 is a highly laudatory article about Mr. Kasten which notes he is a candidate for reelection. This magazine, days before the primary election and, I believe, will continue to be distributed by Northwest to within 5 weeks of the general election.

It is my belief that Northwest uses corporate funds and the funds generated from selling advertisements to publish this magazine. I do not believe that Northwest Airlines World Traveler can be considered a "news" publication. I believe it is instead a mere promotional device of Northwest, the purpose of which is to create a positive image of the company, encourage travel over its routes and help fill passenger time during flights.

I request that the FEC investigate this use of corporate funds to advance the senate candidacy of Mr. Kasten.

Sincerely

Paul W. Wallig
Paul W. Wallig

Subscribed and sworn to before me
this 10th day of September 1992.

[Signature]
Notary Public

My commission expires

11-30-93

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FEDERAL ELECTION
COMMISSION
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WORLD traveler

September 1992

**Sir Ian
McKellen**

The Cold Fury of Richard III

Japanese Theme Parks
Soul Survivor Felix Cavaliere

London Contest

NORTHWEST AIRLINES



Welcome to the September 1992 edition of *Northwest Airlines WorldTraveler*.™

This month you'll meet great people who do phenomenal things.

Sir Ian McKellen, the renowned British actor, is currently on the last leg of The Royal National Theatre's 16-week U.S. tour of *Richard III*. The play, unusually set in the 1930s by director Richard Eyre, has the theme of dictatorship. It has received rave reviews since its opening. Sir Ian is said to portray Richard with "utter brilliance." The production has toured the world during the past two years, and ends in the U.S. with two dates in September: through September 13 at the Curran Theatre in San Francisco and September 15 to 27 at the Royce Hall, Center for the Performing Arts, University of Cali-

fornia later this fall. Catch up with Felix on page 30.

Speaking of endurance, this month's Mt. Washington Bike Race offers bicycle enthusiasts the chance to show what they are made of. The eight-mile vertical climb is about as grueling as it gets. On page 44 is a first-person account of what it's like to compete in such a race.

Our travel section this month highlights the fabled Prince Edward Island. Many people are familiar with PEI from the television series *Anne of Green Gables* shown on the Disney Channel and PBS. The rolling green hills and vast coastline delights visitors who flock to the Island to hear the rich folklore and relax in the peaceful atmosphere. You can hear the stories of phantom ghost ships, Yankee



Rave reviews



British actor Sir Ian McKellen stars in the touring production of *Richard III*.

fornia at Los Angeles. Northwest Airlines is proud to be the principal sponsor of such a stunning production. Please see page 20.

If music is your art of choice, no discussion of 60s rock 'n' roll can be concluded without mention of The Rascals, who brought us hits that included *Good Lovin'* and *How Can I Be Sure?* Felix Cavaliere, the group's leader for seven years, is a survivor. After the group's successful years, Cavaliere moved to Connecticut to raise a family. But then 10 years later, he performed to an enthusiastic audience that welcomed him back. "It was like putting butter on your toast and it melts," says Cavaliere. "I asked myself, 'What had I been doing, locked away in Connecticut?'" From there, Cavaliere moved to Tennessee, and has been traveling the last seven years. He now has his own band called Felix Cavaliere and has invested his time into songwriting. Cavaliere's new album, produced by Don Was (Bowie's Grammy Award-winning album and The B-52's), will pre-

privateers and Indian legends for yourself by traveling on Northwest Airlink from Boston.

We also feature the exciting city of London, where royal legends and history abound. Win two tickets for a round-trip to London by participating in our *WorldTraveler* contest on page 24.

As our customer, you are the best qualified to assess our services. If there is anything we can do to provide better service, please let us know by completing a comment card available from any flight attendant and dropping it in the mail. A similar form is available at airport counters so you can give us your experiences with our ground service staff. As always, thanks for flying Northwest.

Chris Clouser

Chris Clouser, Publisher
Senior Vice President/
Corporate Communications and
Advertising

Northwest Airlines

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Charles D. Pacunas

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Annual subscription price: \$36. Individual copies or back issues available for \$3.00 each. Please send a check or money order to: Circulation Dept., at the address above. For information on producing advertising, contact Carrie Talley at (503) 691-1955 or write to her attention at the address above.

Though proclaimed an honorary "Deadhead" by fans of the musical group The Grateful Dead, Wisconsin Senator



Robert Kasten takes on Wash-

ington bureaucracy with a gusto that proves he's anything but lethargic.

Cutting through the

by Ellen Briska
A. Donald
Zimmer
photographs

(Above and right) Senator Robert Kasten says he is running for his third term this year because he still has work to do. A ranking Republican on the Small Business Committee, Kasten says he has become the voice for small businesses.

Nora Kasten isn't quite sure what a United States Senator does, but she knows her father works "in the Capitol Castle" and his job provides her with a lot of show-and-tell material at preschool. But life is much more complicated for her father, Wisconsin Senator Robert W.

Kasten, Jr. (R-WI), than four-and-a-half-year-old Nora might realize. For example, the day that he finally got the House of Representatives to pass a bill creating enterprise zones was also the day that a train carrying toxic benzene near Superior, Wisconsin, crashed, forcing a partial evacuation of the town.

"We think we've got that under control," says Kasten about the train accident, before launching into an explanation of his enterprise legislation. "It's a tragedy that it has taken the Los Angeles riots to get people's attention," he says. "What we need are entrepreneurial solutions to the problems of our cities. The bill we just passed is still not adequate. It only has a few of the pilot projects, but at least it passed. We've never

even been able to do that before. It has taken these huge problems and everybody watching burning buildings and looting on television to say, 'Maybe we better try something different.'

"Going back eight to ten years, I, along with Jack Kemp and others, have been working for free enterprise, entrepreneurial solutions to the problems of poverty, not only in the cities, but also in rural areas. The best welfare program is a job—a full-time job with a future, not a part-time, make-do job. What we need to do is create the incentives that encourage people to work. What we're trying to do is greenline the areas that banks and thrift institutions have red-lined—the neighborhoods to which people don't want to make loans. You have to encourage people to make an investment in a certain part of the city because of the wonderful tax advantages that will come to them. We provide the tax incentives and people provide the jobs and the investment, and all of a sudden you can find neighborhoods [that once had] high crime rates and all sorts of other problems and [now] provide full-time jobs. It turns the whole thing around. So instead of putting money into federal job programs,

we're establishing full-time jobs in the private sector."

One reason Kasten professes so much faith in the ability of small businesses to turn shell-shocked cities around is because he was a small businessman before turning to politics.

"It seemed like I was the jack-of-all-trades at the shoe factory," says Kasten, recalling his days at the family-owned Gilbert Shoe Manufacturing Company, which had factories in both Thiensville and Campbellsport, Wisconsin. "I was plant manager, in sales, quality control and also did lots of government paperwork." It was the frustration of the paperwork, "the red tape and government bureaucracy that our little business was up against" that propelled Kasten into eschewing his community work for a more political connection.

At the time, Kasten was working with his father at Gilbert's making black patent leather, and black and white saddle shoes for children. He was vice president and director of the company when he decided to run for the state legislature.

"The Wisconsin State Legislature was a part-time job," says Kasten. "My goal at the time I ran in 1972 was to be a part-time legislator and a full-time shoe manufacturer. That changed when I decided to run

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[illegible]

Kasten, a pioneer in the environmental movement, wrote his state's recycling law in 1972, setting a trend in the U.S.

He has received the National Federation of Independent Business' "Guardian of Small Business" award and the "Watchdog of the Treasury" award for every session he has served. He is also the co-author of the Kasten-Weber Bill. "In the fall of 1991, a group of us—Rep. Vin Weber [R-MN], I, Senator Trent Lott [R-MS], Senator Connie Mack [R-FL] and Rep. Newt Gingrich [R-GA]—were becoming frustrated with the inability of Congress, and frankly, the White House to do something about the recession," says Kasten.

"We wanted to [revitalize] the economy to create new jobs. So, we took the best ideas from Democrats and Republicans and combined them in one economic growth package. Our plan offered tax credits to families to ease their tax burden. We reduced the penalties on savings and investment by cutting the capital gains tax, restoring IRAs and giving small businesses more

incentives to invest in new machinery. I believe that if we allowed families and businesses to keep more of what they earn, we

would have pulled out of the recession earlier. I'm still fighting for these ideas. That's why I'm running for another term."

But in spite of the fact that he's a conservative Republican fiscally, Kasten is strongly committed to the environment. A hardworking, serious-sounding

man, Kasten is articulate, bright and to the point, his voice matter-of-fact. Kasten grew up in Washington County, Cedar Lake, near West Bend, Wisconsin, as one of four kids. His love of nature stems from his youth when he spent his free time sailing, swimming and water-skiing. Get Kasten talking about the environment, and suddenly there's a different side to him—his voice is lighter, his commitment obvious.

"When I was awarded the Conservation Achievement Award this year by the National Wildlife Federation, some reporters remarked that it seems unusual for someone known as a fiscal conservative to receive such a prestigious environmental award. It struck some of my colleagues in the Congress as even more out-of-the norm when I sent them copies of an album of songs by the rock group The Grateful Dead. The album included a cut-out postcard addressed to me, advocating the work I've done on protecting the environment and the proceeds were devoted to environmental protection. I don't exactly fit the mold of 'Deadheads,' the group's fans, but I've never felt that my commitment to the environment is incongruous at all.

"I've continued to foster legislative remedies to environmen-

tal abuse and had considerable success. I wrote the Wisconsin Wilderness Act to protect 24,000 acres of wilderness in my home state and crafted a coordinated federal approach to environmental management for the Great Lakes region. I think we're way ahead of where we were 10 to 15 years ago. We've got a long way to go, but I think we have a better focus on the environment among people that just wasn't there when I started my own 'conservation crusade [with recycling]."

Despite Kasten's busy schedule, he does find time to be with wife, Eva, and their daughter. The couple maintains two homes, one in Mequon, Wisconsin, and the other in Washington, but Kasten prefers to spend more time in his home state.

"It is important for Nora to understand that she is a Wisconsinite. So we spend a lot of time in Wisconsin—our extended family is there. It's good for her to understand that there is a real world. That's important for her. And for me."▼



Kasten with daughter Nora (top) and constituents (above), says Wisconsin's beauty inspires his environmental focus.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 22, 1992

Mr. Paul W. Wallig
1870 Wyoming Avenue, NW
Washington, DC 20009

RE: MUR 3607

Dear Mr. Wallig:

This letter acknowledges receipt on September 15, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Northwest Airlines, Inc., Senator Robert W. Kasten, Jr., Kasten For Senate Committee, Inc., and James R. Behrend, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3607. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lisa E. Klein", is written over a horizontal line.

Lisa E. Klein
Assistant General Counsel

Enclosure
Procedures

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 22, 1992

Mr. John Dasburg, President
Northwest Airlines, Inc.
5101 Northwest Drive
St. Paul, Minnesota 55111-3034

RE: MUR 3607

Dear Mr. Dasburg:

The Federal Election Commission received a complaint which indicates that Northwest Airlines, Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3607. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Northwest Airlines, Inc. in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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Mr. John Dasburg, President
Northwest Airlines, Inc.
Page 2

If you have any questions, please contact Veronica M. Gillespie, the attorney assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

93040962273



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 22, 1992

Senator Robert W. Kasten, Jr.
110 Hart Senate Office Building
Washington, DC 20510

RE: MUR 3607

Dear Mr. Kasten:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3607. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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Senator Robert W. Kasten
Page 2

If you have any questions, please contact Veronica M. Gillespie, the attorney assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 22, 1992

Mr. James R. Behrend, Treasurer
Kasten For Senate Committee, Inc.
757 Garrison Court
Delafield, Wisconsin 53018

RE: MUR 3607

Dear Mr. Behrend:

The Federal Election Commission received a complaint which indicates that the Kasten For Senate Committee, Inc. ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3607. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

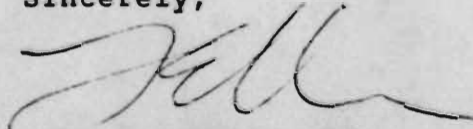
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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Mr. James R. Behrend, Treasurer
Kasten For Senate Committee, Inc.
Page 2

If you have any questions, please contact Veronica M. Gillespie, the attorney assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

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MUR 3607
Kasten
U.S. SENATE

October 5, 1992

Ms. Lisa E. Klein
Assistant General Counsel
Federal Election Commission
Washington, D.C. 20463

Dear Ms. Klein:

In my capacity as Treasurer of the "Kasten for Senate Committee", the authorized candidate committee for the election of Senator Robert W. Kasten, Jr. to the United States Senate on November 3, 1992, I am responding to your letter of September 22, 1992 concerning a complaint which the Commission has received from Mr. Paul W. Wallig of Washington, D.C. For the reasons set forth below, I request that the Commission find no reason to believe that the "Kasten for Senate Committee" has violated 2 United States Code, section 441b(a) and that, as a result, the Commission take no further action on this matter.

In his complaint of September 10, 1992, Mr. Wallig asserts that a profile of Senator Kasten which appeared in the September, 1992 issue of "World Traveler", the in-flight magazine of Northwest Airlines, was an apparent prohibited corporate contribution to the "Kasten for Senate Committee" by Northwest Airlines because (1) the profile was printed for and distributed to Northwest Airlines customers using the corporate funds of Northwest Airlines and (2) that the magazine did not constitute a "news publication" (sic) because the magazine is "a mere promotional device of Northwest, the purpose of which is to create a positive image of the company, encourage travel over its routes and help fill passenger time during flights".

By way of background, I am informed that Northwest Airlines initiated contact with the Senator's Washington office earlier this year in expectation of publishing a profile of the Senator in its "World Traveler" magazine and that the Senator's office responded to this inquiry in the normal course of Senate business. I am also informed that neither the Kasten office, nor the Senator, nor the "Kasten for Senate Committee", nor any employee or volunteer of the Committee played any role in (1) the decision of "World Traveler" magazine to choose Senator Kasten as the subject of its profile, (2) in the content of the profile, (3) in the timing of the publication, or (4) in the public distribution of the magazine. I am further informed that "World Traveler" magazine has a long-standing practice of profiling various Members of Congress who represent states into which Northwest Airlines provides service. For example, in the last year alone, "World Traveler" magazine has profiled the following Members of Congress (all of whom are candidates for election on November 3, 1992): Jim Oberstar (D-MN) in the December, 1991 issue; Jim Ramstad (R-MN) in March, 1992; John Dingell (D-MI) in August,

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1992; and Bob Carr (D-MI) in October, 1992. I am also informed that "World Traveler" magazine is preparing profiles on two United States Senators for publication next year and that both of these Senators are candidates in the 1994 general election.

With respect to the content of the profile of Senator Kasten in "World Traveler" magazine, an objective reading of the profile will show that it is limited to a review of the Senator's legislative accomplishments in Congress and his life with his family. No where in the text of the profile itself does the author mention that the Senator is a candidate for reelection to the Senate. The only reference to his candidacy is in one small non-textual paragraph which appears to have been added to the profile by an editor in laying out the format of the article within the magazine. In any event, the profile does not "expressly advocate" the Senator's election or defeat, the strict test for application of the Act's "contribution" and "expenditure" restrictions established by the United States Supreme Court in 1976 in the landmark case of Buckley v. Valeo (424 US 1).

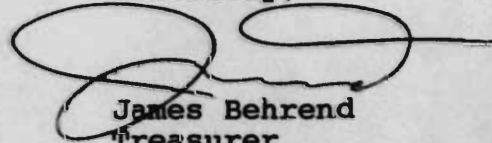
As you well know, while the Federal Election Campaign Act ("the Act") clearly prohibits "expenditures" by corporations and labor organizations on behalf of Federal candidates (2 USC 441b), both the Act and the Regulations promulgated by the Commission exempt from the definition of the term "expenditure" 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 USC 431 (9)(B)(i)). In that context, in the matter of Reader's Digest Association v. F.E.C., 509 F. Supp.1210 (S.D.N.Y 1981), the Commission accepted the assertion that an in-flight magazine produced by an airline for its customers "would generally qualify as an exempted publication". Thus the sole remaining question at issue here is whether "World Traveler" magazine is owned or controlled by any political party, political committee or candidate. I would suggest that the public record is clear on this matter and that Northwest Airlines is a commercial venture, regulated by an agency of the United States government and is not controlled by any political party, organization or candidate.

Lastly, it is important to reiterate and I can assure you that there was absolutely no coordination between the "Kasten for Senate Committee" and Northwest Airlines in any phase of the development or distribution of the profile of Senator Kasten which appeared in "World Traveler" magazine. Moreover, the "Kasten for Senate Committee" has undertaken no activities whatsoever to distribute copies of the profile to the public.

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In conclusion, for the reasons set forth above and relying on the ample precedent established in Matter Under Review 2277 decided on July 15, 1987, a matter which also involved the profile in an airline magazine of a Member of Congress who was seeking reelection (copy attached), I ask that the Commission find no reason to believe that the "Kasten for Senate Committee" has violated the Act as asserted by Mr. Wallig in his complaint and that, as a result, the Commission take no further action in this matter.

Sincerely,

A handwritten signature in dark ink, consisting of a large, stylized 'J' followed by a series of loops and a horizontal stroke extending to the right.

James Behrend
Treasurer

"Kasten for Senate Committee"

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FEDERAL ELECTION COMMISSION

In the Matter of)

Ben Campbell)

Campbell for Congress Committee) MUR 2277

and Kenneth L. Lane, Treasurer)

Frontier Airlines, Inc.)

Senior Beacon)

STATEMENT OF REASONS

On May 19, 1987, the Federal Election Commission rejected the Office of General Counsel's recommendations in MUR 2277 to find reason to believe that Frontier Airlines, Inc., had violated 2 U.S.C. §441b and to find reason to believe that the Campbell for Congress Committee and Kenneth L. Lane, as treasurer, had violated 2 U.S.C. §441b(a).

In MUR 2277, the Commission reviewed the allegation that an article published in Frontier Airlines' customer magazine about the candidacy of Ben Campbell for Congress violated the Federal Election Campaign Act's prohibition against corporate expenditures in federal elections. 2 U.S.C. §441b. The Act exempts from the definition of "expenditure," however, 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)(1).

In resolving the preliminary issue of the applicability of the press exemption, see Reader's Digest Association v. FEC, 509 F. Supp. 1210 (S.D.N.Y. 1981), the Commission observed that in-flight magazines are routinely distributed by airlines to provide passengers entertainment and diversion during airline flights,

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and would generally qualify as an exempted publication. A majority of the Commission concluded that the available evidence did not indicate the particular magazine issue involved in this matter was a special publication, or that the magazine was owned or controlled by any political party, political committee or candidate. See FEC v. Massachusetts Citizens for Life, Inc., 107 S.Ct. 616, 624 (1986).

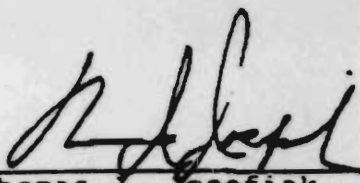
Accordingly, a majority of the Commission determined that the airlines' publication of the article was within the press exemption, and found no reason to believe Frontier Airlines, Inc., had made a corporate expenditure on behalf of a federal candidate in violation of 2 U.S.C. §441b (Commissioners Thomas and McDonald dissenting). The Commission then, on a unanimous vote, found no reason to believe the Campbell for Congress Committee and Kenneth L. Lane, as treasurer, accepted a corporate contribution in violation of 2 U.S.C. §441b(a).

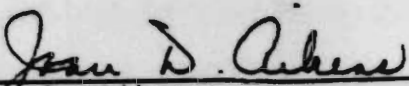
Commission majority:

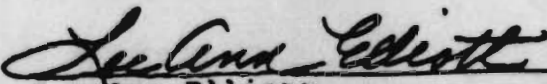
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Joan D. Aikens,
Commissioner


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Commissioner

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John Warren McGarry
Commissioner

Commissioners Thomas and McDonald voted against finding no reason to believe Frontier Airlines, Inc., violated 2 U.S.C. §441b, and supported the General Counsel's recommendation to find reason to believe Frontier Airlines, Inc., made a corporate expenditure on behalf of a federal candidate. Commissioners Thomas and McDonald joined the majority in the Commission's unanimous vote to find no reason to believe the Campbell for Congress Committee and Kenneth L. Lane, as treasurer, accepted a corporate contribution in violation of 2 U.S.C. §441b(a) because the record did not present evidence of coordination between Frontier Airlines, Inc., and the Campbell for Congress Committee.

Joining the majority on the unanimous vote:

7/15/87

Scott E. Thomas
Scott E. Thomas,
Chairman

7/15/87

Danny Lee McDonald
Danny Lee McDonald,
Commissioner

93040962283

Department Number

A1180

Northwest Airlines, Inc.
5101 Northwest Drive
St. Paul MN 55111-3001

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COMMISSION
MAIL ROOM

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OFFICE OF GENERAL COUNSEL

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NORTHWEST AIRLINES

October 12, 1992

Ms. Veronica M. Gillespie
Federal Election Commission
999 "E" Street NW
Washington, DC 20463

Re: MUR 3607: Article Run by Northwest in the September 1992 Issue of In-Flight Magazine, *Northwest Airlines' WorldTraveler*

Dear Ms. Gillespie:

This response is in reply to the complaint filed with the Federal Election Commission, dated September 10, 1992, by Paul W. Wallig, directed to an article on Senator Robert Kasten (Republican, Wisconsin) that appeared in the September 1992 issue of *WorldTraveler*.

First, the complaint states: "It is my belief that Northwest uses corporate funds and the funds generated from selling advertisements to publish this magazine". Complaintant does not indicate the source of his belief; in fact, that belief is incorrect. Northwest believes that, as defined in the Federal Election Campaign Act of 1971, as amended (2 U.S.C. §§ 431(8) and (9)) ("the Act"), it makes no "contribution" or "expenditure", either in-kind or otherwise, directly or indirectly, to any candidate, and that, accordingly, as the co-publisher of a magazine (in conjunction with the magazine's actual publisher), the magazine should be permitted to contain a news story on Senator Kasten, who is only one of a number of political figures who have been featured in *WorldTraveler*.

Attached as Exhibit 1 is a copy of the contract¹, presently in existence, between Northwest Airlines, Inc. and the owner/publisher of its in-flight magazine, Skies America Publishing Company, which is located in Portland, Oregon. This contract reflects an arm's length relationship between those two companies. Northwest has no equity or other interest, direct or indirect, in Skies America. Skies America is a publishing entity with previous experience publishing in-flight magazines for Horizon Air and Midway Airlines. Presently, in addition to *WorldTraveler*, it also publishes another magazine called *Pacific Journey*.

¹ This contract is a sensitive business document, and, in submitting it, Northwest is relying on the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A).



As is apparent from the contract itself, Northwest pays nothing toward the magazine's production. Like all other U.S. airlines which have in-flight magazines, the entire cost of producing the magazine is borne by the owner, which earns revenues from advertising and, hopefully, earns a profit from its endeavors. As the contract provides in detail, there are very specific restrictions on the amount of advertising that can be run in the magazine to ensure that there is a balance between advertising, on the one hand, and editorial content, entertainment and promotional materials. As it is set forth in Section 2(j) of the contract, Skies America copyrights the name of the magazine and all materials used in each issue. Articles, photographs, illustrations, and graphics used in the magazine are the exclusive property of Skies America, unless furnished by or through Northwest. Skies America contracts directly, on its own, for all articles and features in the magazine or has them produced by its in-house staff. Northwest produces the comments/summaries by certain of its officers that frequently appear at the beginning and/or conclusion of an issue. *WorldTraveler* is Northwest's primary on-board communications vehicle. To ensure the magazine is a quality publication, containing a range of materials of interest to its passengers, Northwest has substantial input as to what articles and other features appear in it.

Section 5(f) of that agreement provides for the payment of a commission to Northwest, based on the total amount of revenues collected from advertising appearing in the magazine. This payment is intended to cover Northwest's out-of-pocket costs in connection with distribution of the magazine. Northwest must ensure the magazine is placed in the seat pocket of each of its aircraft and that when removed during the course of any month, the missing magazines are replaced. Indeed, passengers are usually encouraged to take a copy of the magazine with them when they disembark. Since Northwest operates 369 aircraft to 240 cities around the world, ensuring that these obligations are fulfilled is, on the part of Northwest personnel and contract personnel at a number of stations, repetitive, time-consuming and expensive. Northwest estimates it will receive approximately \$400,000 in revenue sharing from *WorldTraveler* during 1993 to help defray these expenses. This compares with in excess of \$7 billion in worldwide revenues.

The complainant further states, "I do not believe that Northwest Airlines' *World Traveler* can be considered a 'news' publication." Presumably, this statement is addressed to the definition of "expenditure" in Section 301 of the statute, 2 U.S.C. § 431. Section 431(9)(B) states:

"The term 'Expenditure' does not include -

(i) 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; . . ."

First, *WorldTraveler* is not controlled by any "political party, political committee, or candidate". Second, it is produced by a *bona fide* publishing entity. Thirdly, with reference to the complainant's contention that *WorldTraveler* is not a news magazine, the reality is that there



are very few publications in the world which contain only news. See, for example, the "Lifestyle/Entertainment" section of virtually any general circulation magazine, such as *Time*, *Newsweek*, *New Yorker*, *Vanity Fair*, etc. Further, in order for something not to be considered an expenditure, the statute does not require that a magazine be exclusively news. The statute applies to a "news story" distributed through a "magazine, or other periodical publication, . . ." It is submitted there is no basis whereby Skies America is disqualified from running news articles on political personalities that do not constitute either express advocacy or, even, issue advocacy.

During the last six to eight months, *WorldTraveler* has received a makeover in terms of design, identity, editorial focus and features designed to attract readers.

The core of Northwest's passenger traffic is made up of business travelers, traveling on lengthy international flights. Northwest clearly cannot run cartoons or the equivalent in its in-flight magazine and hold a businessman's interest, and one can only do so many variations on Disney World vacation, and "I Left My Heart in San Francisco" themes. That *WorldTraveler's* mix of news, entertainment and Northwest promotional material is successful is manifest. According to an LNA/Magazine Week report, *WorldTraveler* led all other in-house flight magazines by posting a 44.6% increase in advertising pages over the first six months of 1992. Obviously, there are things in that magazine that appeal to advertisers -- and to readers as well. Among 274 consumer publications in that survey, *WorldTraveler* ranked fifth overall making it one of the fastest-growing publications in the United States.

In examining readership growth among in-flight magazines, the 14th Annual Mendelssohn Survey of Affluent Households noted *WorldTraveler* recorded the largest year-over-year in readership -- 31.1 % -- among this segment of population. The Mendelssohn Survey also found that *WorldTraveler's* readership has a median annual household income of \$97,600 and that its readers spend an average of 24.9 days in hotels per year, more time away from home than the readership of any magazine surveyed. These are the readers who appeal to advertisers. Finally, there is an additional indicator that indicates *WorldTraveler* is attracting and involving its readers on a continuing basis: In July 1991, Skies America received 4,274 reader inquiries in connection with advertisers' goods and services. In July 1992, the response rate had increased to 30,484. Clearly, the magazine is reaching a growing, attentive and responsive audience. Again, no one is interested in reading only page after page of advertisements.

Enclosed herewith as Exhibits 2-6 are copies of *WorldTraveler* and, for December 1991, its predecessor, *Northwest Compass*, in which news articles on political personalities have appeared. In addition to the December 1991 issue (Exhibit 2), these are the March 1992 issue (Exhibit 3), the August 1992 issue (Exhibit 4), and the September 1992 issue (Exhibit 5). Exhibit 6 is the most recent magazine, October 1992, the issue which is presently on the aircraft. In January 1991, *Compass* had run an article on former President Gerald Ford. The December 1991 issue of *Compass* contained an article on Congressman James Oberstar, Democrat of Minnesota, (where Northwest is headquartered). The March 1992 issue of *WorldTraveler* contained an



article on Congressman James Ramstad, Republican of Minnesota. The August 1992 edition of *WorldTraveler* contained an article on Congressman John Dingell, Democrat of Michigan. The September 1992 issue of *WorldTraveler* contained the article on Senator Robert Kasten, Republican of Wisconsin, to which Mr. Wallig objected. The October 1992 issue contains an article on Congressman Bob Carr, Democrat of Michigan. *WorldTraveler* is planning an extensive feature article on former President Jimmy Carter for January 1993, and, later in 1993, articles on Senator Sasser of Tennessee and Senator Gorton of Washington. Because of scheduling and interview logistics, all of the featured personality articles take approximately four months to prepare, from the time a subject is decided on, until publication.

In the United States, Northwest's primary domestic franchise revolves around its three domestic "hubs": Minneapolis-St. Paul, Minnesota, Detroit, Michigan, and Memphis, Tennessee. Much of the company's domestic traffic originates in those states or in the adjoining or surrounding states, from which passengers connect through one of the hubs to other flights. In addition, since many of Northwest's south-Pacific, mid-Pacific and Asia flights connect through or have stops at West Coast cities, particularly Los Angeles, San Francisco, and Seattle, *WorldTraveler* attempts to craft articles that will be of interest to passengers originating or connecting through those cities as well.

A broad range of personalities are featured, and we believe that articles on prominent political personalities, past and present, their policies and interests, who represent or have represented areas where much of Northwest's domestic constituency is based, are quite newsworthy, contain information important to and of interest to those persons residing or conducting business in those locales. A glance at any issue of *WorldTraveler* will indicate that Skies America and Northwest try to produce a magazine that is genuinely and broadly interesting, combining news features, promotional elements and items of on-board interest, such as available entertainment and free shopping. To illustrate, the October issue features articles on the late Malcolm Forbes publishing empire, the development of the Airbus aircraft, the continuing Elvis phenomenon, and Northwest's Air Care program, a regular feature in which the company teams with a non-profit organization to stimulate donations. In addition to the article on Congressman Carr, there were articles on Tokyo parks, Manhattan neighborhoods and the Museum of Broadcast Communication. The other issues are similar. For example, the September issue contained an article/interview on Sir Ian McKellan, the British actor who was quite outspoken in his views in the article. That article was tied to support of an AIDS benefit, sponsored by Northwest, in connection with the U.S. tour of *Richard III*. The same issue also sought contributions for the Pediatrics AIDS Foundation, which was being sponsored by Air Cares, contained articles on a satellite broadcasting entrepreneur and a prominent musician, together with several tourism-related articles. It is submitted all these articles are contemporaneous, likely to hold one's interest and newsworthy, and worth publishing.

RESPONSE TO COMPLAINT -- Filed by Paul W. Wallig
Letter to Veronica M. Gillespie
October 12, 1992



Based on the foregoing, it is respectfully submitted that there is no basis for concluding that Skies America or Northwest has violated the Act, and Mr. Wallig's complaint should be dismissed.

Sincerely,

NORTHWEST AIRLINES, INC.

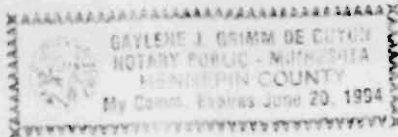
John Williams

John Williams
Associate General Counsel

Subscribed and sworn to before me
this 12th day of October, 1992.

Gaylene J. Grimm de Cuyper
Notary Public

My Commission Expires: 6/20/94



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SECRETARIAT

FEDERAL ELECTION COMMISSION NOV -2 PM 3:13
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR #3607
DATE COMPLAINT RECEIVED
BY OGC : September 15, 1992
DATE OF NOTIFICATION TO
RESPONDENTS: September 22, 1992
STAFF MEMBER: Lawrence L. Calvert Jr.

COMPLAINANTS: Paul W. Wallig

RESPONDENTS: Robert W. Kasten, Jr.
Kasten for Senate Committee, Inc.
and James R. Behrend, as treasurer
Northwest Airlines, Inc.

RELEVANT STATUTES: 2 U.S.C. § 431(9)(B)(i)
2 U.S.C. § 441b(a)
2 U.S.C. § 441b(b)(2)
11 C.F.R. § 100.7(b)(2)
11 C.F.R. § 100.8(b)(2)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was initiated by a complaint received from Paul W. Wallig against Robert W. Kasten, Jr.; the Kasten for Senate Committee, Inc., and James R. Behrend, as treasurer; and Northwest Airlines, Inc. ("Northwest").¹ The complaint alleges that a profile of Kasten entitled "Cutting Through the Red Tape" in the September, 1992 issue of WorldTraveler, Northwest's in-flight magazine, was a prohibited corporate in-kind

1. Kasten, the incumbent Republican U. S. Senator from Wisconsin, was a candidate in the November 3, 1992 general election. He was defeated by the Democratic nominee, Russell Feingold, receiving 47 percent of the vote to Feingold's 53 percent.

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contribution to the Kasten campaign. See generally Attachment 1.

9 3 0 4 0 9 6 2 2 9 0
In its response, Northwest disclosed that it profiled other members of Congress in WorldTraveler and its predecessor publication, Northwest Compass Readings, in 1991-92: specifically, Representative James Oberstar of Minnesota in the December 1991 issue; Representative James Ramstad of Minnesota in the March 1992 issue; Representative John Dingell of Michigan in the August 1992 issue; and Representative Bob Carr of Michigan in the October 1992 issue. Attachment 2 at 4. Like Senator Kasten, each of these members was a candidate for re-election in 1992. As part of its response, Northwest attached as exhibits copies of each of the issues in which the profiles appeared.² Northwest's response also indicates that the January 1991 Northwest Compass Readings contained a profile of former President Gerald Ford, and that WorldTraveler planned to feature articles on former President Jimmy Carter in January 1993 and on Senators James Sasser of Tennessee and Slade Gorton of Washington later in 1993. Attachment 2 at 4-5. Both Senator Sasser and Senator Gorton hold seats that are up for election in 1994.

II. FACTUAL AND LEGAL ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no corporation, except through a separate

2. Each of the articles at issue is reproduced as an attachment to this report. See Attachments 4-8. The full issues of Northwest Compass Readings and WorldTraveler in which the articles appeared are available for review in the permanent files of the Office of General Counsel.

segregated fund, may make a contribution or expenditure in connection with any Federal election. 2 U.S.C. § 441b(a). However, the Act and the Commission's regulations exclude, under certain conditions, costs associated with the production and dissemination of news stories, commentaries or editorials from the definitions of "contribution" and "expenditure." 2 U.S.C. § 431(9)(B)(i); 11 C.F.R. §§ 100.7(b)(2) and 100.8(b)(2). These provisions have been referred to informally as the "media exemption."

In Readers' Digest Ass'n. v. FEC, 509 F. Supp. 1210, 1214 (S.D.N.Y. 1981), the court, interpreting the Act, stated that the media exemption applies when the distribution of news or commentary falls within the media entity's "legitimate press function," and when the entity is not owned or controlled by any political party, political committee or candidate. The Commission has interpreted the media exemption broadly, consistent with Congress' admonition that the Act was not intended "to limit or burden in any way the first amendment freedom of the press." H. R. Rep. No. 943, 93d Cong., 1st Sess., at 4 (1974).

Section 431(9)(B)(i) identifies only "broadcasting station[s], newspaper[s], magazines or other periodical publication[s]" as press entities entitled to the exemption. To determine whether a medium of communication fits one of these descriptions, the Commission has applied the definitions of "broadcaster," "newspaper," and "magazine and other periodical publication" in its Explanation and Justification of 11 C.F.R. §§ 110.13(a)(2) and 114.4(e). See, e.g. MURs 2277 and 2567.

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Although these regulations deal with the sponsorship of candidate debates by news organizations, the definitions in the Explanation and Justification were explicitly drafted with the media exemption in mind. See Explanation and Justification for Regulations on Funding and Sponsorship of Candidate Debates, 44 Fed. Reg. 76734, 76735 (Dec. 27, 1979).

According to the Explanation and Justification, magazines and "other periodical publications" are "publication[s] in bound pamphlet form appearing at regular intervals (usually either weekly, biweekly, monthly or quarterly) and containing articles of news, information, opinion and entertainment, whether of general or specialized interest. Only magazines and periodicals which ordinarily derive their revenues from subscriptions and advertising" are to be exempt. Id. at 76735.

In addition to the "legitimate press function" test, the Commission must also determine whether the press entity is owned or controlled by any political party, political committee, or candidate. This test is a straightforward inquiry into whether the complaint, response, or other data available to the Commission suggest that a media entity is so owned or controlled. See, e.g. MUR 3645.

B. The Articles and Surrounding Circumstances

Each of the articles in question is between three and five pages in length and contains several prominent photographs of the member of Congress profiled. Each member is described in wholly favorable terms. However, none of the articles expressly advocates the re-election of any of the members profiled or

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explicitly expresses Northwest's position on any legislative or political issue. Indeed, only the September 1992 profile of Senator Kasten and the October 1992 profile of Representative Carr even refer to their subjects' candidacies for re-election.³

All of the members profiled except Representative Ramstad held aviation-related committee assignments in the 102d Congress.⁴ Each of them received contributions from the Northwest Airlines Political Action Committee, a separate segregated fund connected to Northwest which is registered with the Commission as a multicandidate committee.⁵ All of the members represented states

3. Kasten and Carr, whose profiles appeared two months and one month, respectively, before the general election, were the only two members profiled who were involved in extremely close campaigns for re-election. Senator Kasten was defeated. Supra n. 1. Representative Carr, a Democrat, was re-elected from the Sixth Congressional District of Michigan, receiving 51 percent of the vote to Republican Dick Chrysler's 49 percent. None of the other members profiled received less than 59 percent in either the primary or general election.

4. Senator Kasten was the only senator in the 102d Congress to sit on both the Transportation Subcommittee of the Senate Appropriations Committee and the Aviation Subcommittee of the Senate Commerce, Science and Transportation Committee. Representative Oberstar was chairman of the Aviation Subcommittee of the House Public Works and Transportation Committee. Representative Dingell was chairman of the House Energy and Commerce Committee. Representative Carr, after Representative William Lehman of Florida announced plans to retire, was in line to become chairman of the Transportation Subcommittee of the House Appropriations Committee. Representative Ramstad, while not holding a committee assignment directly related to aviation, represented part of the Minneapolis metropolitan area; Minneapolis is the site of Northwest's corporate headquarters and its airport is a major Northwest "hub."

5. Disclosure reports indicate that Northwest Airlines PAC contributed \$1,500 in the primary election and \$5,000 in the general election to the Kasten for Senate Committee; \$5,000 in the primary election to Friends of Jim Oberstar; \$1,000 in the primary election and \$750 in the general election to the Jim Ramstad Volunteer Committee; \$1,000 in the primary election to the John D.

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in which "[m]uch of [Northwest's] domestic traffic originates." Attachment 2 at 4.

WorldTraveler is co-published monthly by Northwest and Skies America Publishing Company ("Skies"). Northwest represents that it has an "arm's length" contractual relationship with Skies under which Skies pays the entire cost of producing the magazine and Northwest pays the entire cost of distributing it; distribution consists of placing a copy of the magazine in each passenger seat pocket on Northwest's aircraft. Pursuant to Section 5(f) of the publishing agreement, Skies provides a commission to Northwest based on the total amount of each issue's advertising revenue. Attachment 2 at 5. Northwest acknowledges that it has substantial input as to what articles and other features appear in WorldTraveler, and the contract between Skies and Northwest provides that "[a]ll editorial content is subject to Northwest approval." Id. at 2, 10.

C. Analysis

Several factors lead this Office to conclude that the articles are protected by the media exemption. First, Northwest Compass Readings and WorldTraveler meet the standard criteria the Commission has applied in the past to determine if a magazine is exempt. The magazines are in bound pamphlet form and appear to be published monthly. They contain articles of news and

(Footnote 5 continued from previous page)
Dingell for Congress Committee; and \$5,000 in the primary election and \$5,000 in the general election to Friends of Bob Carr.

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entertainment on a variety of topics.⁶ Although there is no evidence that WorldTraveler generates subscription revenue, it apparently generates advertising revenue, which is shared by Skies and Northwest. Attachment 2 at 2, 10-11. Further, it does not appear from the available evidence that either Skies or Northwest is a political party, committee, or candidate, or under the control of such.

Second, enforcement precedent supports a finding of no reason to believe in this matter. In MUR 2277, which involved a similar allegation concerning an article in an in-flight magazine, the Commission accepted the assertion that in-flight magazines are routinely distributed by airlines to provide passengers entertainment during airline flights and would generally qualify as exempted publications. A majority of the Commission concluded that because the available evidence in that matter did not indicate the particular magazine issue involved was a special publication, or that the magazine was owned or controlled by a party, committee or candidate, the article appeared to be within the press exemption and thus there was no reason to believe a violation of Section 441b had occurred. MUR 2277 (Frontier Airlines et al.), Statement of Reasons, July 14, 1987, at 2. In this matter, the magazine editions appear to have been regularly scheduled monthly editions rather than "special" publications,

6. As Northwest points out, the issues of WorldTraveler in which the Kasten and Carr profiles appeared also contained articles on, among other subjects, the Airbus aircraft, "the continuing Elvis phenomenon," the Museum of Broadcast Communication, and the British actor Sir Ian McKellen. Attachment 2 at 4.

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and, as noted, neither Northwest nor Skies appears to be a political party, committee or candidate.

Third, the articles themselves appear to have been within the magazines' legitimate press function. Northwest asserts that the articles were "quite newsworthy [and] containe[d] information important to and of interest to" readers from Minnesota, Michigan and Wisconsin. As such, it avers, the articles were part of its efforts "to produce a magazine that is genuinely and broadly interesting." Attachment 2 at 4. While the timing of the Kasten and Carr profiles and the correlation between the members profiled and Northwest's legislative and political interests could lead to the conclusion that Northwest was using the magazines to advance its interests as an airline, that does not mean the articles did not have a legitimate press function.

Fourth, only two of the articles mention their subjects' candidacies for re-election, and those references do not expressly advocate the election of the members profiled or the defeat of their opponents. The presence or absence of express or issue advocacy is not determinative in resolving the applicability of the media exemption. However, it is helpful to note that the exemption allows commentaries and editorials to contain express endorsements of Federal candidates without being considered expenditures under the Act. Under these circumstances, articles that merely mention their subjects' candidacies, much less those that do not, would seem to be protected by the exemption. Accord, MUR 3366 (Bruce Herschenson et al.), Statement of Reasons of Vice Chairman Thomas and Commissioner McGarry, January 21, 1992, at 2.

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Therefore, this Office recommends that the Commission find no reason to believe that Robert W. Kasten, Jr., Kasten for Senate Committee, Inc. or James R. Behrend, as treasurer, or Northwest Airlines, Inc. violated 2 U.S.C. § 441b(a).

III. RECOMMENDATIONS

1. Find no reason to believe that Robert W. Kasten, Jr. violated 2 U.S.C. § 441b(a).
2. Find no reason to believe that Kasten for Senate Committee, Inc. or James R. Behrend, as treasurer, violated 2 U.S.C. § 441b(a).
3. Find no reason to believe that Northwest Airlines, Inc. violated 2 U.S.C. § 441b(a).
4. Approve the appropriate letters.
5. Close the file.

Lawrence M. Noble
General Counsel

11-2-93
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments:

1. Complaint
2. Response of Northwest Airlines, Inc.
3. Response of Kasten for Senate Committee, Inc. and James R. Behrend, as treasurer
4. Ellen Briska, Down-Home Work Ethic Drives Congressman Jim Oberstar, Northwest Compass Readings, Dec. 1991, at 20.
5. Jane Simon, Man on a Mission (profile of Rep. Jim Ramstad), WorldTraveler, Mar. 1992, at 22.
6. Jane Simon, Government Watchdog (profile of Rep. John Dingell), WorldTraveler, Aug. 1992, at 44.
7. Ellen Briska, Cutting Through the Red Tape (profile of Sen. Robert Kasten), WorldTraveler, Sept. 1992, at 36.
8. Jane Ameson, Man of the House (profile of Rep. Bob Carr), WorldTraveler, Oct. 1992, at 108.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Robert W. Kasten, Jr.)
Kasten for Senate Committee, Inc.) MUR 3607
and James R. Behrend, as treasurer.)
Northwest Airlines, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 10, 1993, the Commission decided by a vote of 5-0 to take the following actions in MUR 3607:

1. Find no reason to believe that Robert W. Kasten, Jr. violated 2 U.S.C. § 441b(a).
2. Find no reason to believe that Kasten for Senate Committee, Inc. or James R. Behrend, as treasurer, violated 2 U.S.C. § 441b(a).
3. Find no reason to believe that Northwest Airlines, Inc. violated 2 U.S.C. § 441b(a).
4. Approve the appropriate letters, as recommended in the General Counsel's Report dated November 2, 1993.

(continued)

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5. Close the file.

Commissioners Aikens, Elliott, McDonald, Potter, and Thomas voted affirmatively for the decision; Commissioner McGarry did not cast a vote.

Attest:

11-12-93
Date

Delores Hardy
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Tues., Nov. 02, 1993 3:13 P.M.
Circulated to the Commission: Wed., Nov. 03, 1993 11:00 A.M.
Deadline for vote: Wed., Nov. 10, 1993 4:00 P.M.

jf

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 19, 1993

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Paul W. Wallig
1870 Wyoming Ave., N.W.
Washington, DC 20009

RE: MUR 3607

Dear Mr. Wallig:

On November 10, 1993, the Federal Election Commission reviewed the allegations of your complaint dated September 10, 1992, and found that on the basis of the information provided in your complaint, and information provided by the respondents, there is no reason to believe that Robert W. Kasten, Jr., Kasten for Senate Committee, Inc. and James R. Behrend, as treasurer, or Northwest Airlines, Inc. violated 2 U.S.C. § 441b(a). Accordingly, on November 10, 1993, the Commission closed the file in this matter.

The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

Enclosure

93040962300



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 19, 1993

Mr. Robert W. Kasten, Jr.
757 Garrison Court
Delafield, WI 53018

RE: MUR 3607
Robert W. Kasten, Jr.

Dear Mr. Kasten:

On September 22, 1992, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 10, 1993, the Commission found, on the basis of the information in the complaint, that there is no reason to believe you violated 2 U.S.C. § 441b(a). Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 19, 1993

Mr. James R. Behrend, Treasurer
Kasten for Senate Committee, Inc.
757 Garrison Court
Delafield, WI 53018

RE: MUR 3607
Kasten for Senate Committee, Inc.
and James R. Behrend,
as treasurer

Dear Mr. Behrend:

On September 22, 1992, the Federal Election Commission notified Kasten for Senate Committee, Inc. ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 10, 1993, the Commission found, on the basis of the information in the complaint, and information provided by the Committee, that there is no reason to believe the Committee or you, as treasurer, violated 2 U.S.C. § 441b(a). Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure

93040962302



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 19, 1993

Mr. John Williams, Esq.
Associate General Counsel
Northwest Airlines, Inc.
5101 Northwest Drive
St. Paul, MN 55111-3034

RE: MUR 3607
Northwest Airlines, Inc.

Dear Mr. Williams:

On September 22, 1992, the Federal Election Commission notified Northwest Airlines, Inc. of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 10, 1993, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe Northwest Airlines, Inc. violated 2 U.S.C. § 441b(a). Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "Lois G. Lerner", is written over the typed name of the Associate General Counsel.

BY: Lois G. Lerner
Associate General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3607

DATE FILMED 12-15-93 CAMERA NO. 4

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