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May 19, 2000

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

Re: MUR 5006

Dear Sir or Madam:

On behalf of CNBC, Inc. ("CNBC"), I am responding to the above-referenced complaint filed by Robert Vinson Brannum which alleges that CNBC has violated the Federal Election Campaign Act of 1971. Specifically, Mr. Brannum contends that Hardball, a nightly news talk show on CNBC hosted by Chris Matthews, "should register as a political action committee or affiliated political action committee with the Republican National Committee, the presidential election committee for Governor George W. Bush, and the exploratory US Senate campaign for Rudolph Guiliani." Mr. Brannum further alleges that broadcasts of Hardball violate the FEC rulings "governing "reasonable access (or "equal time")" or FEC rulings prohibiting "any corporate contribution whatever to induce any gift of money or anything of value for the purpose of influencing a Federal election." Lastly, Mr. Brannum complains that Hardball and its host, Mr. Matthews have become "inappropriate corporate electronic voter guides advocating the election of an individual or group of political candidates for Federal elective office."

CNBC is a 24-hour cable television network, offering live business news programming during the day and broad-based news, talk and entertainment programming during primetime. CNBC is a wholly owned subsidiary of National Broadcasting Company, Inc. ("NBC"), a global media company that owns and operates the NBC Television Network as well as 13 television stations. Mr. Matthews is the host of Hardball, and is an employee of MSNBC, a 24-hours cable news channel and Internet service owned 50% by NBC. Mr. Matthews' program is first run each weekday evening on MSNBC, before being repeated on CNBC.

The Federal Election Campaign Act prohibits corporate contributions and expenditures in connection with a Federal election. 2 U.S.C. §441b(a). However, the Act specifically exempts from the definition of "expenditure": "any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper,

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magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate." 2 U.S.C. §431(9)(B)(i). Federal Election Commission regulations similarly exempt from the definitions of contribution and expenditure "[a]ny cost incurred in covering or carrying a news story, commentary, or editorial by any broadcasting station (including a cable television operator, programmer, or producer), newspaper, magazine, or other periodical publication. . . unless the facility is owned or controlled by any political party, political committee, or candidate." 11 C.F.R. 100.7(b)(2) and 100.8(b)(2).

As described above, CNBC is a press entity as described by the Act and regulations, and CNBC acts as a press entity in performing the media activities described in Mr. Brannum's letter. Furthermore, CNBC is not owned by a political party, political committee, or candidate. Accordingly, the press coverage by CNBC of the federal election campaigns is exempt from the restrictions of the Federal Election Campaign Act. In any event, CNBC provides coverage of news events, including political campaigns, in a manner that is fair, accurate and balanced.

Accordingly, CNBC respectfully submits that Mr. Brannum's complaint is without merit and should be summarily dismissed.

Respectfully submitted,

Diane Zipursky/ms
Diane Zipursky