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January 8, 2019

BY ELECTRONIC MAIL: CELA@FEC.GOV

Jeff S. Jordan, Esq.
Assistant General Counsel
Complaints Examination & Legal Administration
Federal Election Commission
1050 First Street, NE
Washington, DC 20463

Re: MUR 7512

Dear Mr. Jordan:

We write on behalf of Jordan Cove Energy Project L.P.; Jordan Cove LNG LLC PAC; Jordan Cove LNG L.P.; Jordan Cove LNG LLC; Fort Chicago Holdings II U.S. LLC; and Pembina Pipeline Corporation (collectively, “Respondents”), in response to the Complaint and Supplemental Complaint in MUR 7512 (together, “Complaint”).

Complainant appears to allege that nonfederal contributions made by Jordan Cove Energy Project L.P., a Delaware limited partnership, and Jordan Cove LNG LLC PAC, a federal political committee, violated 52 U.S.C. § 30121’s ban on foreign national contributions and expenditures. Because the contributors were domestic entities, because the Complaint itself shows this to be so, and because Complainant alleges no facts describing a violation of any statute or regulation, the Federal Election Commission (the “Commission”) should find no reason to believe Respondents violated the Federal Election Campaign Act of 1971, as amended, 52 U.S.C. § 30101 *et seq.* (“the Act”), or its implementing regulations, and dismiss this matter.

FACTUAL DISCUSSION

Respondents are all domestic subsidiaries organized under United States law, except for Pembina Pipeline Corporation, which is a Canadian corporation and the ultimate parent.¹ Jordan Cove Energy Project L.P. is a Delaware limited partnership with a primary place of business in Portland, Oregon.² Jordan Cove LNG LLC PAC is an affiliated separate segregated fund registered with the FEC. Jordan Cove LNG L.P. and Fort Chicago Holdings II U.S. LLC are

¹ Pembina acquired the subsidiaries’ former parent, Veresen Inc., in 2017. *See* Compl. (Oct. 12, 2018), Attach. 10.

² *See* Supp. Compl. (Nov. 5, 2018), Attach. 1.

Delaware-organized parents of Jordan Cove Energy Project L.P.³ Jordan Cove LNG LLC is also a Delaware-organized entity.⁴

Jordan Cove Energy Project L.P. has been engaged in the development of a natural gas pipeline and liquid natural gas export terminal in Coos Bay, Oregon.⁵ The proposed infrastructure would transport natural gas from southern Oregon to Coos Bay, where it would be liquified and made available for export.⁶ As the Complaint itself shows, this proposed development has elicited vocal opposition, including an Oregon ballot measure that would have effectively stopped the project.⁷

The Jordan Cove family of companies has been working for some time to obtain the necessary support and permits to build and operate its planned pipeline. It functions in many ways like its own contained corporate family, conducting its own government relations and public relations effort in Oregon run by its U.S. subsidiaries.

Like any other large energy infrastructure project undertaken in the United States, the development has its fair share of detractors. Numerous organizations and individuals oppose energy infrastructure development on sincerely-held ideological grounds. Those opposing the project in Oregon often refer to the project as Canadian or foreign in their media campaigns in an effort to keep the project in the news cycle and galvanize project opposition.⁸

Although the Complainant clearly disapproves of the proposed project, he fails to state any clear basis on which to assert a violation of the Act. Complainant does demonstrate, however, that all Respondents are domestic U.S. entities except for Pembina Pipeline Corporation; and the Complaint alleges no contributions by Pembina. Rather, Complainant's claim of a violation appears to hinge solely on the fact that the contributors were related to Pembina, and that the domestic respondents are registered as "foreign" with the Oregon Secretary of State.⁹ Here, this designation means only that these entities were organized in another *state*, not another *country*.¹⁰ Through the Complaint's attachments, Complainant admits as much.¹¹ Furthermore, Complainant, by his own admission, states that he "harbor[s] some uncertainty" as to whether the

³ See Compl., Attach. 10.

⁴ See Supp. Compl., Attach. 1.

⁵ See, e.g., Compl., Attach. 7.

⁶ See, e.g., *id.*

⁷ See, e.g., Compl., Attach. 3.

⁸ See, e.g., *id.*

⁹ See Supp. Compl. at 1 & Attach. 1.

¹⁰ See Or. Rev. Stat. § 60.001(18) (defining a "foreign limited liability company" to mean, in pertinent part, "an entity that is an unincorporated association organized under laws other than the laws of the state ..."); see also Or. Rev. Stat. § 67.005(5) (similarly defining "foreign limited liability partnership").

¹¹ See Compl., Attach. 15 at 7 ("Clarification: A foreign partnership registered in Oregon is one domiciled outside the state.").

Commission even has jurisdiction over this matter.¹² Complainant alleges no facts that describe any entity giving with non-domestic funds, nor any that describe any foreign national participation in decisions about nonfederal political giving.

LEGAL DISCUSSION

The Act prohibits a “foreign national” from making any contributions or donations “in connection with a Federal, State, or local election,” directly or indirectly.¹³ The term “foreign national” includes corporations and other entities created or organized under the laws of a foreign country or that have their principal place of business in a foreign country,¹⁴ as well as individuals who are neither U.S. citizens nor lawful permanent residents.¹⁵ An entity “organized under or created by the laws of the United States or of any State [in the U.S.] . . . and [that] has its principal place of business within the United States” is not a foreign national.¹⁶

Domestic subsidiaries of foreign corporations accordingly are not foreign nationals and may make nonfederal political contributions, subject to two main restrictions.¹⁷ First, they must use funds generated in the United States to make the contributions.¹⁸ Second, they must exclude foreign nationals from decision-making processes regarding federal and nonfederal election-related activities.¹⁹

Likewise, a U.S. subsidiary of a foreign parent company may operate a federal PAC under certain conditions. First, the foreign parent may not provide the establishment, administration, and solicitation costs. Second, individual foreign nationals may not: (1) participate in PAC operation; (2) serve as PAC officers; (3) participate in the selection of those who operate the PAC; or (4) make decisions regarding PAC contributions or expenditures.²⁰

Here, Complainant alleges facially lawful nonfederal political contributions, many of which were to a 2017 ballot measure committee. The documents Complainant produces present contributions that were made by domestic entities and even a federal PAC. While Complainant claims that Respondents’ corporate filings with the State of Oregon indicate that some were “foreign”

¹² Compl. at 1.

¹³ 52 U.S.C. § 30121(a)(1)(A).

¹⁴ *Id.* § 30121(b)(1), *cross-referencing* 22 U.S.C. § 611(b).

¹⁵ 52 U.S.C. § 30121(b)(2).

¹⁶ 22 U.S.C. § 611(b)(2).

¹⁷ *See* Fed. Election Comm’n Advisory Op. 2006-15 (TransCanada Corp.) at 3-4; Advisory Op. 1992-16 (Nansay Hawaii, Inc.) at 3-4.

¹⁸ Advisory Op. 2006-15 at 4; Advisory Op. 1992-16 at 3-4; Factual & Legal Analysis at 5, MURs 6401 & 6432 (TransCanada Keystone Pipeline GP, LLC).

¹⁹ *See* Advisory Op. 2000-17 at 6-9 (Extendicare).

²⁰ *See id.*; *see also* FEC Record: Outreach, Foreign Nationals, FEC, <https://www.fec.gov/updates/foreign-nationals/> (last visited Dec. 28, 2018).

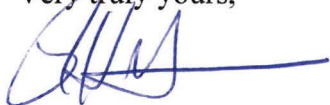
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entities,²¹ he fails to realize that “foreign” can mean only that an entity was established or incorporated in another state. Complainant makes no documented or credible allegation that any nonfederal contribution was made with non-domestic funds, nor that any foreign national engaged in any prohibited decision-making regarding the contributions. At bottom, the Complaint presents contributions that complied on their face with the Act.

CONCLUSION

For the foregoing reasons, Respondents respectfully request that the Commission find no reason to believe Respondents violated the Act, dismiss the Complaint in MUR 7512, close the file, and take no further action.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'B. Svoboda', with a long horizontal flourish extending to the right.

Brian G. Svoboda
Rebecca H. Gordon
Shanna M. Reulbach

Counsel to Respondents

²¹ See Supp. Compl. at 1.