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SANDLER REIFF LAMB ROSENSTEIN & BIRKENSTOCK, P.C.

May 24, 2019

Jeff S. Jordan, Esq. Assistant General Counsel Federal Election Commission 999 E Street, NW Washington, DC 20463

## Re: MUR 7594 – Response to Complaint Manchin for West Virginia and Jack Rossi, Treasurer

Dear Mr. Jordan:

This response is filed on behalf of Machin for West Virginia and Jack Rossi, in his official capacity as treasurer (collectively referred to as the "Manchin Campaign") to the complaint filed by Mr. Alexander Austin regarding contributions made by Enbridge (U.S.) Inc.'s federal political committee ("Enbridge-DCP PAC") to state and federal candidates and committees throughout the United States.

The Enbridge-DCP PAC contribution of \$1,000 to the Manchin Campaign in 2017 did not appear to come from a prohibited source, it was within the contribution limit, and Mr. Austin's 2019 complaint provides no evidence that the contribution was prohibited under the Federal Election Campaign Act of 1971, as amended (the "Act"). For these reasons, as discussed in more detail below, the Commission should find no reason to believe a violation occurred and dismiss this matter.

## 1. U.S. subsidiaries of foreign corporations may make contributions with their federal PACs to federal candidates

For more than 40 years, the Commission as repeatedly affirmed through its advisory opinions that U.S. subsidiaries of foreign corporations may make contributions with their federal political committees to federal candidates under the Act, provided that there is no involvement of foreign nationals in decisions concerning the making of the contributions.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> See FEC Advisory Opinions 2006-15 (TransCanada), 2000-17 (Extendicare Health Services, Inc.), 1999-28 (Bacardi-Martini, USA, Inc.), 1995-15 (Allison Engine Company Political Action Committee), 1992-16 (Nansay Hawaii, Inc.), 1992-07 (H&R Block, Inc.), 1990-08 (The CIT Group Holdings, Inc.), 1989-29 (GEM of Hawaii, Inc.), 1982-34 (Sonat Inc. Political Action Committee), 1981-36 (Japan Business Association of Southern California), 1980-100 (Revere Sugar Corp.), and 1978-21 (Budd Citizenship Committee).

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> The Manchin Campaign has no information, or any reason to believe, that Enbridge-DCP PAC's decision to make the 2017 contribution was made with the involvement of foreign nationals or is otherwise prohibited under the Act. Mr. Austin's complaint does not provide any such evidence.

Mr. Austin acknowledges that Enbridge (U.S.), Inc., incorporated in Delaware, is a U.S. subsidiary of Enbridge, Inc., a Canadian company.<sup>2</sup> He does not make any claim that the contributions came from any source other than the Enbridge (U.S.), Inc's federal PAC, Enbridge-DCP PAC. And he notably does not allege that foreign nationals were involved in the decision-making for any of the 300-plus contributions made to federal and state campaigns listed in his complaint.

## 2. The Enbridge-DCP contribution did not present a question as to whether it was from a prohibited source

If a committee receives contributions that "present genuine questions as to whether they were made by corporations, labor organizations, foreign nationals, or Federal contractors" it must follow certain procedures to determine the legality of the contribution.<sup>3</sup>

The Enbridge-DCP PAC contribution of \$1,000 to the Manchin Campaign made by check dated September 7, 2017 presented no questions as to whether it was made by a prohibited source under the Act when it was received by the campaign.<sup>4</sup> The PAC check contained the following information:

- Name of PAC Enbridge (U.S.) Inc. PAC (Enbridge-DCP PAC)
- Address of PAC 5400 Westheimer Court, Houston, TX 77056
- FEC ID C00429662
- "THIS PAC IS REGISTERED AS A MULTI-CANDIDATE CMTE."
- Name of Bank "Comerica Bank"
- Check number 4084
- Memo line designation for "2018 Primary"
- Amount \$1,000.00 (within multi-candidate PAC's \$5,000 per election limit)<sup>5</sup>
- Payable to Manchin for West Virginia

<sup>&</sup>lt;sup>2</sup> See Complaint, at p. 5

<sup>&</sup>lt;sup>3</sup> 11 C.F.R. § 103.3(b)(1)

<sup>&</sup>lt;sup>4</sup> See Exhibit A, Enbridge-DCP PAC check # 4084 (Sept. 7, 2017)

<sup>5 52</sup> U.S.C. § 30116(b)(2)(A)

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None of this information raises any question as to whether the Enbridge-DCP PAC contribution was made by a prohibited source. All of the information indicates that the contribution was from a permissible source in full compliance with the Act. In addition, the Manchin Campaign is not aware of any evidence that the contribution was prohibited and Mr. Austin's complaint does not provide any such evidence.

Therefore, the Manchin Campaign properly deposited the funds, it was not required to take any further action to determine the legality of the Enbridge-DCP PAC contribution, and there is no reason to believe the contribution was prohibited under the Act.

## 3. Conclusion

U.S. subsidiaries of foreign corporations may make contributions with their federal PACs to federal candidates. Enbridge (U.S.), Inc. is a U.S. subsidiary and Enbridge-DCP PAC is its federal PAC. In 2017, the Manchin Campaign received a \$1,000 contribution, within the contribution limit, from Enbridge-DCP PAC, a permissible source. There was no question at the time the contribution check was received and no additional information has been learned since, from Mr. Austin's complaint or any other sources, that raise any questions regarding the permissibility under the Act of the Enbridge-DCP PAC contribution to the Manchin Campaign.

There is no reason to believe the Manchin Campaign accepted a prohibited contribution from Enbridge-DCP PAC. Therefore, we respectfully request that the Commission dismiss this matter as it relates to the Manchin Campaign.

James C. Lamb Counsel to Manchin for West Virginia and Jack Rossi, Treasurer