

# FEDERAL ELECTION COMMISSION

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FFC ISSUES EIGHT  
ADVISORY OPINIONS

WASHINGTON - DECEMBER 18 - The Federal Election Commission issued the following Advisory Opinions today:

State Party Committees: Separate state party committees to receive and expend funds for Federal and non-Federal candidates are permissible, provided the non-Federal committee is not "subordinate" to the Federal committee, and that both committees "maintain separate campaign depositories, accounting systems, chairmen, and treasurers." (AO #95, requested by the Colorado Republican State Central Committee)

Contributions from Government Contractors: The Federal law's prohibition on contributions from Federal contractors applies only to Federal elections, and does not apply to a county party committee's separate fund which supports only state and local activities. (AO #99, requested by the San Francisco Republican County Central Committee).

"Pre-Primary" Convention: For contribution and expenditure limitation purposes, "pre-primary" conventions which do not select nominees are part of the primary election rather than a separate election. (AO #105, requested by the Republican Party of New Mexico).

Televised Newsletter: Expenditures from a Congressman's personal account made in relation to a "televised newsletter" in his district are not subject to the expenditure limitation, provided the Congressman is not a candidate for re-election at the time of the program, and "so long as the show relates to legislative business and not to an upcoming campaign". (AO #107, requested by Rep. Ed Beard (D, R.I.-2).

Honorariums: (A) If a Member of Congress has any "dominion or control" over a donation made to charity by an organization "in lieu of, or in addition to honorariums" earned by that Congressman, the money will still be considered an honorarium for the \$1,000 per appearance, \$15,000 per year honorarium limitation. The Commission stated, however, that such control would not be to exist where 1) a Federal officeholder makes a speech or appearance before an organization which ordinarily pays honorariums in similar circumstances; (2) an officeholder expressly informs the organization that payment of an honorarium is not a condition for his or her speech; and (3) subsequent to the speech, the organization makes a gift to a charity to which the officeholder has previously contributed or which he has endorsed. The Commission noted further that donations to charitable organizations must be voluntary and not contingent upon a speech or appearance by an officeholder, and also cannot be made in the officeholder's name. (AO #55, requested by Rep. Al Ullman (S. Ore.-2).

(B) The percentage fee paid by Federal officeholders to speakers' bureaus and agents to secure and arrange speaking engagements is included in the total honorarium subject to the \$1,000 per appearance, \$15,000 per year limitation. The Commission noted that the limitation on honoraria "should not be interpreted as (applying to) honoraria minus arrangement expenses." (AO #84, requested by Rep. Tom Railsback (R, Ill-19).

Past Campaign Debt: A) Settlement or forgiveness of a campaign committee's corporate debt will not be considered a contribution to the committee by the corporation if "a showing is made to the Commission that the corporate creditor has treated the outstanding debt...in a commercially reasonable manner." The Commission cited Advisory Opinion 1975-50, which stated that such a showing must include: 1) that the initial extension of credit was made "in a manner and on terms similar to the extension of credit to a non-political debtor, 2) that the candidate or committee has undertaken an "exhaustive effort" to satisfy the outstanding debt; and 3) that the corporate creditor has pursued its remedies in a manner "similar in intensity" to that employed in pursuit of a non-political debtor.

In the Metzenbaum Opinion, the Commission said that "in view of the Commission's policy reflected in (AO #50), the (Metzenbaum) Committee must obviously undertake additional efforts to retire its outstanding debts before corporate creditors can properly settle or forgive debts owed to them". (AO #39, requested by the Metzenbaum Post-Campaign Committee, Cleveland, Ohio).

B) Contributions made solely to retire a 1974 campaign debt are not subject to the post-1975 contribution limits. A Senator and his "immediate family", however, may not contribute more than the \$35,000 "personal and immediate family" limit to his 1974 campaign, including contributions to retire the debts from that campaign. Funds used to retire the past debt will not be charged against the Senator's expenditure limitation in future re-election efforts. (AO #106, requested by Sen. Alan Cranston, (D, Calif).