



THE FEDERAL ELECTION COMMISSION

RECORD

1325 K Street N.W., Washington, D.C. 20463

Volume 6, Number 3

March 1980

STATISTICS

FEC RELEASES FIRST REPORT ON SELECTED 1980 PRESIDENTIAL CANDIDATES

On January 25, 1980, the FEC released its first statistical report on the financial activity of all Presidential campaigns which have exceeded \$100,000 in total receipts or disbursements (*FEC Report On Financial Activity, 1979-1980, Interim Report No. 1, Presidential Pre-Nomination Campaigns*). The *Report*, first in a series to be published monthly during the primary season, also includes information on all draft movements above the \$100,000 level. The *Report* covers the financial activity of 13 Presidential campaigns from their inception through September 30, 1979, and provides a complete breakdown of both receipts (\$17.7 million) and disbursements (\$15.1 million). Additional tables show further detail:

- Contributions from individuals are categorized by dollar amount. For each category the *Report* shows the number of contributions, the aggregate value of those contributions and the percentage of all individual contributions which they represent.
- Itemized individual contributions over \$100 are categorized on a state-by-state basis to show the number and value of such contributions which a campaign received from a given state and the percentage of all contributions which they represent.
- PAC contributions are presented according to political committee type (e.g., corporate, labor, etc.) and the date on which the contribution was received.
- Matching fund activity is listed.
- Expenditures subject to limits and the state-by-state spending limit figures are included in the *Report*, but are incomplete for 1979. As more campaigns enter the matching fund process, more complete information will be available in future reports.

The monthly reports will provide a broad overview of all financial activity at the Presidential level throughout the entire primary season. Copies of the January *Report* are available, at \$2.50 per copy, from the Commission's Office of Public Records, 1325 K Street, N.W., Washington, D.C. 20463; or telephone 202/523-4181, toll-free 800/424-9530.

REPORTS

SPECIAL ELECTION IN PENNSYLVANIA

A special general election will be held in Pennsylvania on April 9, 1980. The principal campaign committees of all candidates involved in that election will receive a special notice from the FEC on their reporting requirements and filing dates. All other committees supporting candidates in the special election in Pennsylvania should contact the Commission for information on required reports. Information may be obtained by calling 202/523-4068 or toll-free 800/424-9530.

NEW PROCEDURES FOR SPECIAL ELECTION REPORTS

The 1979 Amendments to the Federal Election Campaign Act require the Commission to establish filing dates for required reports within five days of the setting of the date for a special election. The Commission is also required to publish the dates and notify the principal campaign committees of all candidates involved in the special election of those reporting dates. To implement the amendments, the Commission adopted procedures on January 31, 1980 (Agenda Document 80-42), which state that:

1. The Reports Analysis Division will identify the dates of all special elections and, within 48 hours after each identification, will establish filing dates for required reports, subject to the Commission's approval;
2. Within one day of the Commission's approval of the filing dates, a notice will be prepared by the Office of General Counsel for publication in the *Federal Register* and
3. The Information Division will send a prior notice to all principal campaign committees registered for the special election and to all individuals listed on the special election ballot.

CORRECTION

The "Monthly Reports" chart on page 7 of the February *Record* contained incorrect dates for the periods covered by the pre-election and post-election reports. The corrected chart appears below.

MONTHLY REPORTS		
Month	Period Covered	Filing Date
February	1/1 - 1/31	February 20
March	2/1 - 2/29	March 20
April	3/1 - 3/31	April 20
May	4/1 - 4/30	May 20
June	5/1 - 5/31	June 20
July	6/1 - 6/30	July 20
August	7/1 - 7/31	August 20
September	8/1 - 8/31	September 20
October	9/1 - 9/30	October 20
Pre-Election	10/1 - 10/15	October 23
Post-Election	10/16 - 11/24	December 4
Year-End	11/25 - 12/31	January 31, 1981



ADVISORY OPINION REQUESTS

Advisory Opinion Requests (AOR's) pose questions on the application of the Act or Commission Regulations to specific factual situations described in the AOR. The following chart lists recent AOR's, with a brief description of the subject matter, the date the requests were made public and the number of pages of each request. The full text of each AOR is available to the public in the Commission's Office of Public Records.

AOR	Subject	Date Made Public	No. of Pages
1980-3	New political party's status as a national party committee.	1/15/80	6
1980-4	Legal services donated to Presidential committee for defense in civil suit.	1/15/80	4
1980-5	Application of the Act to expenses of delegates to national nominating convention of Democratic party.	1/15/80	1
1980-6	Permissible methods of soliciting member contributions for separate segregated fund.	1/23/80	1

1980-7	Contributions by state bank, a wholly-owned subsidiary of a federally chartered corporation to candidates for state office.	1/25/80	2
1980-8	Transfer of funds from federal to state PAC.	1/30/80	1
1980-9	Fundraising letter as independent expenditure.	2/4/80	1
1980-10	PAC's compliance with 1979 amendment requiring identification of connected organization in name of separate segregated fund.	2/6/80	1
1980-11	Contributions made in spouse's name drawn on individual's sole account.	2/11/80	1
1980-12	Several questions on application of Act to Congressional campaign.	2/11/80	3

ADVISORY OPINIONS: SUMMARIES

An Advisory Opinion (AO) issued by the Commission provides guidance with regard to the specific situation described in the AOR. Under the 1979 amendments to the Act, any person may request an AO on a specific activity which the person intends to undertake. The requester will not be subject to any sanctions under the Act if he/she acts in accordance with the opinion. Other persons may rely on the opinion if they are involved in a specific activity which is indistinguishable in all material aspects from the activity discussed in the AO. Those seeking guidance for their own activity, however, should consult the full text of the AO and not rely only on the summary given here.

AO 1979-66: Notice in Trade

Association's Publications

The Associated General Contractors of America (the Association), a trade association, may publish in two of the Association's publications a notice regarding the financial activity of its separate segregated fund, AGC-PAC. One of the publications is circulated to nonmembers as well as members; the other is circulated to members only. Since the notice does not encourage readers to support AGC-PAC activities or provide information on how they may contribute to AGC-PAC, the notice does not constitute a "solicitation" under the Act. (The Act specifically restricts "solicitations" by a separate segregated fund to the membership of its sponsoring association. 2 U.S.C. §437f.) Chairman Robert O. Tiernan and Commissioner Thomas E. Harris filed a dissenting opinion. (Date Issued: January 30, 1980; Length, including dissent: 3 pages)

AO 1979-67: Teacher Intern Program

Scholarships awarded for services provided to the Republican National Committee (RNC), to the Democratic Nation-

The RECORD is published by the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Commissioners are: Robert O. Tiernan, Chairman; Max L. Friedersdorf, Vice Chairman; Joan D. Aikens; Thomas E. Harris; John W. McGarry; Frank P. Reiche; J.S. Kimmitt, Secretary of the Senate, Ex Officio; Edmund L. Henshaw, Jr., Clerk of the House of Representatives, Ex Officio. For more information, call 202/523-4068 or toll-free 800/424-9530.

al Committee (DNC) or to any Senate or Congressional staff by graduate students participating in an intern program sponsored by the George Peabody College for Teachers of Vanderbilt University would not be considered in-kind contributions under the Act. Since the basic purpose of the intern program is educational and if the interns do not devote substantial time to federal election campaign purposes, the compensated interns' services would not constitute in-kind contributions. The Peabody Center, as sponsor of the program, would not be considered a political committee under the Act. 2 U.S.C. §§ 431(8) and (9). To the extent that the interns' activities are not related to campaigns for federal office, funds contributed to or spent by the Peabody Center to defray the cost of the program would not be subject to the Act's limits or prohibitions on contributions. Commissioners Joan D. Aikens, Max L. Friedersdorf and John W. McGarry filed a concurring opinion. (Date Issued: February 11, 1980; Length, including concurring opinion, 7 pages)

AO 1979-68: Solicitations by Membership Organization's Separate Segregated Fund

The Illinois Medical Political Action Committee (IMPAC), a separate segregated fund established by the Illinois State Medical Society (ISMS), may solicit contributions in conjunction with an annual dues statement for ISMS and the American Medical Association (AMA), the national association with which ISMS is affiliated. IMPAC may also make unlimited transfers of funds to the AMA's separate segregated fund, the American Medical Political Action Committee (AMPAC), since IMPAC is affiliated with AMPAC. (Date Issued: January 11, 1980; Length: 2 pages)

AO 1979-70: General Public Communication by Separate Segregated Fund

The LTV Corporation Active Citizenship Campaign (LTV/ACC), a separate segregated fund of the LTV Corporation, may pay the costs of publications for the general public which contain statements by several Presidential candidates on campaign issues selected by LTV/ACC.

Since the proposed communication would, in effect, be a means of advertising each candidate's views, the costs of publishing the communication would constitute an in-kind contribution to each of the candidates. 2 U.S.C. § 431(8)(A)(i). The amount of the contribution to each candidate would be equal to the cost of publishing the communication divided by the number of responses printed. 11 CFR 106.1(a).

Since the costs of publishing the information would count as in-kind contributions, the LTV Corporation may not reimburse LTV/ACC for the publication costs; nor may the LTV Corporation pay the costs itself. The Corporation's payment of these costs would violate the Act's ban on corporate contributions and expenditures in connection with federal elections. (Date Issued: January 11, 1980; Length: 4 pages)

AO 1979-72: Trade Association's Reimbursement of Separate Segregated Fund

The National Association of Home Builders (NAHB) may reimburse its separate segregated fund, the Build Political Action Committee (Build-PAC), for solicitation costs

that Build-PAC had unnecessarily and mistakenly paid for in connection with a fundraiser for Build-PAC.

As required by Commission Regulations (11 CFR 114.5 (b)(2)), Build-PAC had previously reimbursed NAHB for fundraising costs which exceeded one-third of the gross revenues of the fundraiser. However, in calculating total costs, Build-PAC had mistakenly included costs for soliciting contributions. Since the Act permits a membership corporation to pay these solicitation costs for its separate segregated fund (2 U.S.C. § 441(b)(4)(C)), Build-PAC did not have to include these costs in determining the required payment for costs of entertainment and prizes awarded at the event. As a result of this erroneous calculation, Build-PAC had actually overpaid NAHB. NAHB may, therefore, repay Build-PAC the overpayment (\$18,906.54) resulting from the error. Commissioner Thomas E. Harris filed a dissenting opinion. Commissioner Frank P. Reiche filed a concurring opinion. (Date Issued: February 1, 1980; Length, including concurring opinion and dissent, 6 pages)

AO 1979-73: Allocation of Advance Staff Salary and Per Diem in Presidential Campaign

For purposes of complying with national and state-by-state expenditure limits, applicable to the primary election, the Kennedy for President Committee (the Committee) should allocate advance staff salary and per diem costs to the state with respect to which the staff engages in campaign activity. According to Commission Regulations, expenditures "for staff, media, printing, and other goods and services used in a specific State should be attributed to that State." 11 CFR 106.2(b). Therefore, the Committee should allocate expenditures for advance staff salaries to each state limit in proportion to the time that the advance person, working either out of national headquarters or in the field, spends in connection with the campaign in that state. The Committee should allocate per diem costs to the state where the advance person uses the per diem. Expenses for interstate travel, however, and for per diem used during such travel need not be attributed to any individual state limit. All expenditures attributed to any state must also be attributed to the overall national expenditure limit. (Date Issued: January 11, 1980; Length: 2 pages)

AO 1979-74: Payment of Compensation to Candidate

William Emerson, a candidate for the U.S. House of Representatives, may receive compensation for his legislative lobbying and consulting business without such compensation constituting contributions or expenditures, provided the compensation:

1. Results from bona fide employment, genuinely independent of his candidacy;
2. Is exclusively in consideration of his services; and
3. Does not exceed what a similarly qualified person would receive for the same work, over the same period of time. (Date Issued: January 11, 1980; Length 2 pages)

AO 1979-75: Combined Fundraising by Trade Association PAC and Its State and Local Affiliates

The Associated Builders and Contractors Political Action Committee (ABC-PAC), established by the Associated Builders and Contractors, Inc. (ABC), a trade association,

may follow the procedures it proposed to the Commission for accepting and allocating contributions received through a combined federal/state fundraising effort.

State and local ABC chapters (affiliated with ABC) have established political action committees (Chapter PAC's) to support exclusively candidates for state and local office. Under the proposed procedures, a written agreement will provide that funds jointly collected by the Chapter PACs and the ABC-PAC will be divided on a 2/3-1/3 basis and that no part of the contributions received by a Chapter PAC will be used to support a federal election. All solicitation materials will inform contributors that 1/3 of their contribution will be allocated to federal elections and, thus, be charged against applicable contribution limits of the Act.

The jointly collected funds will be deposited in a special escrow account. The bank will divide the contributions according to the agreed ratio and transfer to the Chapter PAC and ABC-PAC accounts the portion due to each. ABC-PAC's Statement of Organization will identify all such special accounts as campaign depositories.

ABC-PAC will officially "receive" each contribution on the day the designated ABC-PAC state representative actually receives the funds, rather than when the funds are transferred into ABC-PAC's account. The representative will deposit all contributions into the escrow account within 10 days of receipt, and will furnish ABC-PAC headquarters with the information on contributors and contributions necessary for recordkeeping and reporting requirements. (Date Issued: January 18, 1980; Length: 4 pages)

AO 1979-76: Sale of Books to Corporations as Contributions

The RSC Campaign Fund (the Committee), a political committee, may not sell to corporations books that it published for fundraising purposes. The gross proceeds of the sale are considered contributions, whether the books are sold above, below or at cost, and the Act and Commission Regulations prohibit a corporation from making a contribution to a political committee.

The Commission distinguished this opinion from two previous opinions (AO 1979-24 and AO 1978-18) wherein the sale of excess campaign assets and contributor lists did not constitute contributions because, unlike the books published by the Committee, the items were not specifically acquired or developed for general fundraising purposes. (Date Issued: January 22, 1980; Length: 3 pages)

AO 1979-77: Activities of Affiliated Committees

Since the Trammell Crow Partners (the Crow Partnership) owns controlling stock in the Trammell Crow Company (the Crow Company), and since the partners of the Crow Partnership are also executive officers of the Crow Company, the two organizations are considered affiliated for purposes of the Act; thus, their respective political committees are affiliated committees. Accordingly, the Trammell Crow Partners Political Committee (the Partners Committee) and the Trammell Crow Company PAC (the Crow Company PAC) must make and receive contributions as though they are a single committee with a single con-

tribution limit. Each committee, however, must file reports separately and identify the other as an affiliated committee on its Statement of Organization.

The Crow Company PAC, a separate segregated fund, may solicit contributions from the individual partners of the Crow Partnership since they own all the stock of the Crow Company, a corporation, and the Crow Company PAC is affiliated with the Partners Committee.

On the other hand, since the Partners Committee is not a separate segregated fund of a corporation, it may solicit contributions from any individual who may otherwise make lawful contributions under the Act.

The Crow Company may provide the Partners Committee with corporate employees to render legal and accounting services solely to ensure compliance with the Act. The compensated services are not considered contributions but must be reported by the Committee in accordance with Commission reporting regulations. (Date Issued: January 29, 1980; Length: 4 pages)

AO 1979-78: Definition of Honorarium

The fee paid to Senator Daniel P. Moynihan for serialization of his book in *The New Yorker*, prior to the book's publication, does not constitute an honorarium, but rather a book royalty.

Payment for an article is specifically included in the definition of honorarium in 2 U.S.C. §441j. "Article" is defined in Commission regulations to include "a writing other than a book, which has been or is intended to be published." 11 CFR 110.12(b)(4). However, since Senator Moynihan's publisher negotiated the serialization fee, received the fee from the magazine and paid the Senator his percentage of the fee, the fee represents a royalty for Senator Moynihan's book rather than a payment for an "article." (Date Issued: January 11, 1980; Length: 2 pages)

AO 1980-4: Legal Services Donated to Presidential Committee for Defense in Civil Suit

Compensation paid by several law firms to their staffs for legal services rendered without charge to the Carter/Mondale Presidential Committee (the Committee) to defend the Committee in a civil lawsuit would not be considered contributions under the Act. (The complaint alleges that the Committee improperly allocated costs between political and official travel and did not properly reimburse the government for such travel, in violation of the Hatch Act, the Appropriations Act and the plaintiff's constitutional rights.) The firms' compensation enables the Committee to present a defense to a civil complaint rather than enabling the firms' staffs to participate in the Committee's political activities. Therefore, since the donated legal services are not rendered for the purpose of influencing a federal election, they are not contributions. (Date Issued: February 1, 1980; Length: 3 pages)

INFORMATION

SPECIAL PARTY EXPENDITURE LIMITS – 1980

Under the Federal Election Campaign Act, as amended, and the FEC Regulations, there are special limits on expenditures made by political parties on behalf of candidates in the general election. 2 U.S.C. §441a(d); 11 CFR 110.7. These special party expenditures count neither as contributions to the candidate nor as expenditures by the candidate or the candidate's authorized committees. The expenditures are reported only by the party committee. The party spending limits are based on state voting age population estimates (as of July 1, 1979) published by the Department of Commerce, and the change in the Consumer Price Index certified by the Secretary of Labor.

National political party committees have separate expenditure limits for each Presidential, Senate and House candidate in the general election.

State political party committees are entitled to separate expenditure limits for each Senate and House candidate they support in the general election in their state. Within a state, all expenditures made on behalf of one candidate by the state party committee or any subordinate party committee (e.g., county, district, local) are subject to one expenditure limit. State committees do not have a separate limit for Presidential candidates.

Presidential Candidates

The national party committee's expenditure limit for Presidential candidates for the 1980 general election is \$4,637,653.76. This figure is based on the following formula: U.S. voting age population x \$.02, plus a 47.2 percent increase in the Consumer Price Index. The actual figure has been derived by making the following calculation: 157,529,000 x \$.02 x 1.472.

Senatorial Candidates

The party's expenditure limit for Senate candidates is the greater of either:

- State voting age population (VAP) x \$.02, plus a 47.2 percent increase in the consumer price index (VAP x \$.02 x 1.472); or
- \$29,440. See chart below.

House Candidates

The limit for House candidates is either:

- \$14,720 for House candidates in states with more than one district (and candidates for Delegate from the District of Columbia, Guam and the Virgin Islands; or for Resident Commissioner from Puerto Rico); or
- The same as the Senate limit for the state, for House candidates in states with only one Congressional district. (See states marked with asterisk on chart below.)

PARTY SPENDING LIMITS FOR CONGRESSIONAL CANDIDATES

The Commission has compiled the following chart for 1980 limits on special party expenditures for Senate candidates in the general election.

An asterisk (*) indicates those states in which there is only one Congressional district. In these states, the Senate limit also applies to party spending on behalf of candidates for the House of Representatives. For all other states, the party expenditure limit for House candidates is \$14,720.

State	VAP (in thousands)	1980 Party Spending Limitations
Alabama	2,644	\$77,839.36
Alaska*	261	29,440.00
Arizona	1,697	49,959.68
Arkansas	1,542	45,396.48
California	16,475	485,024.00
Colorado	1,972	58,055.68
Connecticut	2,295	67,564.80
Delaware*	417	29,440.00
Florida	6,633	195,275.52
Georgia	3,561	104,835.84
Hawaii	640	29,440.00
Idaho	612	29,440.00
Illinois	7,997	235,431.68
Indiana	3,807	112,078.08
Iowa	2,080	61,235.20
Kansas	1,724	50,754.56
Kentucky	2,485	73,158.40
Louisiana	2,723	80,165.12
Maine	779	29,440.00
Maryland	3,000	88,320.00
Massachusetts	4,253	125,208.32
Michigan	6,470	190,476.80
Minnesota	2,892	85,140.48
Mississippi	1,624	47,810.56
Missouri	3,524	103,746.56
Montana	551	29,440.00
Nebraska	1,125	33,120.00
Nevada*	495	29,440.00
New Hampshire	634	29,440.00
New Jersey	5,332	156,974.08
New Mexico	836	29,440.00
New York	12,898	379,717.12
North Carolina	3,992	117,524.48
North Dakota*	462	29,440.00
Ohio	7,645	225,068.80
Oklahoma	2,076	61,117.44
Oregon	1,828	53,816.32
Pennsylvania	8,620	253,772.80
Rhode Island	683	29,440.00
South Carolina	2,026	59,645.44
South Dakota	484	29,440.00
Tennessee	3,134	92,264.96
Texas	9,291	273,527.04
Utah	862	29,440.00
Vermont*	350	29,440.00
Virginia	3,758	110,635.52
Washington	2,829	83,285.76
West Virginia	1,339	39,420.16
Wisconsin	3,372	99,271.68
Wyoming*	312	29,440.00
District of Columbia		14,720.00
Guam		14,720.00
Puerto Rico		14,720.00
Virgin Islands		14,720.00

PUBLIC FINANCING

FEC CERTIFIES ELIGIBILITY OF SIX MORE CANDIDATES FOR 1980 MATCHING FUNDS

On the dates indicated below, the Commission certified to the U.S. Treasury that the following candidates were eligible to receive primary matching funds for the 1980 Presidential primary election:

George Bush	January 3, 1980
Ronald Reagan	January 15, 1980
Robert Dole	January 15, 1980
Philip Crane	January 21, 1980
Edmund G. Brown	January 22, 1980
John Anderson	February 5, 1980

The recent certifications bring the number of candidates certified to receive matching funds to ten. The Commission had previously certified Howard Baker, President Jimmy Carter, Lyndon LaRouche and Edward Kennedy.

FEC PUBLIC APPEARANCES

To provide information on campaign finance laws and the FEC, the Commission regularly accepts invitations to address public gatherings. This regular column lists upcoming scheduled Commission appearances, the name of the sponsoring organization, the location of the event and the name of the Commission's speaker. For additional information on any appearance, please contact the sponsoring organization:

3/9 B'nai B'rith
Falls Church, Virginia
Rob Snow

CLEARINGHOUSE

SUBSCRIPTIONS TO ELECTION LAW UPDATES AND ELECTION CASE LAW SERIES

The Commission announces the availability of annual subscriptions to its quarterly *Election Law Updates* and *Election Case Law* series. These quarterly reports have become one of the accepted sources of information on federal and state election laws and case decisions. The quarterly, cumulative format provides up-to-date information on key elections developments at the federal and state level, and each series is published in cooperation with the American Law Division of the Library of Congress.

The *Election Law Updates* series includes a synopsis of all key federal and state election laws and has a comprehensive index to aid in research. At the end of each year, an Annual Cumulative Summary is published, which summarizes the entire year's election law activities. The subscription price for this series is \$11.00 a year and includes three quarterly, cumulative issues plus the Annual Cumulative Summary.

The *Election Case Law* series is similar in design and concept except that all federal and state election cases are summarized and indexed. The subscription price for this series is \$10.00 a year and also includes three quarterly cumulative issues plus the Annual Cumulative Summary.

For further subscription information, please call or write: Clearinghouse - FEC, 1325 K Street, N.W., Washington, D.C. 20463, telephone, 202/523-4183 locally or call toll-free, 800/424-9530.

FEDERAL ELECTION COMMISSION
1325 K STREET, NW
WASHINGTON, DC 20463

OFFICIAL BUSINESS

FIRST CLASS MAIL
POSTAGE & FEES PAID

FEC
WASHINGTON, D.C.
PERMIT NO. G-31