



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

June 19, 1979

CERTIFIED MAIL,  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-27

Mr. John White, Treasurer  
Committee For Thorough Agricultural Political Education  
P.O. Box 32287  
San Antonio, Texas 78284

Dear Mr. White:

This is in response to your letter of May 22, 1979, requesting an advisory opinion on behalf of the Committee For Thorough Agricultural Political Education ("C-TAPE") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act") to the payment of C-TAPE's expenses by Associated Milk Producers, Inc. (AMPI).

The facts presented in your request are that AMPI is an incorporated agricultural cooperative without capital stock. In 1972 AMPI established C-TAPE, a registered multi-candidate political action committee, as its separate segregated fund to be utilized for political purposes. According to your letter, currently, C-TAPE reimburses AMPI on a monthly basis for administrative expenses such as the cost of office space, telephone, salaries, utilities, supplies and other expenditures incident to the operation of a separate segregated fund. You ask in your letter whether it is lawful for AMPI to pay the aforementioned expenses of C-TAPE.

As you note in your request, 2 U.S.C. 441b(b)(2)(C) and 11 CFR 114.1(a)(2)(iii) specifically exclude the "establishment, administration and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock" from the term "contribution or expenditure" for purposes of 441b. Since AMPI is a corporation without capital stock it can pay the costs to establish and administer C-TAPE, its separate segregated fund, as well as pay the costs of contribution solicitations for C-TAPE. Since the expenses which you describe come within the purview of administrative costs (see 11 CFR 114.4(b)), the Commission concludes that AMPI may pay them from its general treasury funds. The

Commission notes, however, that this opinion does not reach the question of whom AMPI or C-TAPE may solicit and how. See generally 2 U.S.C. 441b(b)(4) and 11 CFR 114.7.

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Robert O. Tiernan  
Chairman for the  
Federal Election Commission