

PAUL E. GILLMOR  
5TH DISTRICT, OHIO

COUNTIES: DEFIANCE, ERIE, HENRY, HURON,  
LUHAIN (PART), MERCER (PART), OTTAWA  
(PART), PAULDING, PUTNAM, SANDUSKY,  
SENECA, VAN WERT, WILLIAMS, WOOD (PART)

DEPUTY MAJORITY WHIP



**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3505

COMMITTEE ON ENERGY AND COMMERCE  
SUBCOMMITTEES  
ENVIRONMENT AND HAZARDOUS MATERIALS  
CHAIRMAN  
TELECOMMUNICATIONS AND THE INTERNET  
COMMITTEE ON FINANCIAL SERVICES  
SUBCOMMITTEES  
CAPITAL MARKETS, INSURANCE AND  
GOVERNMENT SPONSORED ENTERPRISES  
FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

September 11, 2002

Ms. Mai T. Dinh  
Acting Assistant General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: FEC Notice 2002-14 -U.S. Subsidiaries of Foreign Companies

Dear Ms. Dinh:

I write to comment on the Federal Election Commission's rulemaking to implement the Bipartisan Campaign Reform Act of 2002 (BCRA). Specifically, the Commission is asking whether the BCRA eliminates the current ability of U.S. subsidiaries of foreign companies to sponsor a political action committee for their American employees. I write to inform the Commission that no such change was intended by the House.

During debate on the "Shays-Meehan" legislation in the 105th Congress, I sponsored an amendment adopted by the House that preserved the right of American employees of US subsidiaries of foreign corporations to participate in a company sponsored PAC. I sponsored the amendment after another member of the House had indicated that an amendment would be offered to prohibit such practice. After my amendment passed by a vote of 395 to 0, with 3 voting present, the other member withdrew the opposing amendment.

While considering BCRA the 107th Congress did not vote on this specific question. The House expressed no desire to change the current practice. Had the issue been raised, as in the 106th Congress, I would have vigorously opposed it with I suspect, the same result.

I have attached a copy of the House debate on my amendment. The history is clear. The House intends for Americans employed by U.S. subsidiaries of foreign corporations to enjoy the same access to the political process as any other American. I request that the FEC's final rule continue the current and longstanding approach that permits U.S. subsidiary PACs.

Sincerely,

Paul Gillmor  
Member of Congress

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
SEP 12 12 00 PM '02

WASHINGTON  
1203 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-3505  
202-225-6405

DEFIANCE  
613 WEST THIRD STREET  
DEFIANCE, OH 43512  
419-782-1996

NORWALK  
130 SHADY LANE DRIVE  
NORWALK, OH 44857  
419-668-0206

PORT CLINTON  
120 JEFFERSON STREET, 2D FLOOR  
PORT CLINTON, OH 43452  
419-734-1999

AMENDMENT OFFERED BY MR. GILLMOR TO AMENDMENT NO. 13 IN THE NATURE OF A  
SUBSTITUTE OFFERED BY MR. SHAYS

Mr. GILLMOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gillmor to Amendment No. 13 in the Nature of a Substitute Offered by Mr. Shays.

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section:

'PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS

'Sec. 326. (a) In General: Nothing in this Act may be construed to prohibit any individual eligible to vote in an election for Federal office from making contributions or expenditures in support of a candidate for such an election (including voluntary contributions or expenditures made through a separate segregated fund established by the individual's employer or labor organization) or otherwise participating in any campaign for such an election in the same manner and to the same extent as any other individual eligible to vote in an election for such office.

'(b) No Effect on Geographic Restrictions on Contributions: Subsection (a) may not be construed to affect any restriction under this title regarding the portion of contributions accepted by a candidate from persons residing in a particular geographic area.'

Mr. GILLMOR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN pro tempore (Mr. Collins). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GILLMOR. Mr. Chairman, the amendment which the gentleman from Tennessee (Mr. Tanner) and I are offering would reaffirm in law a vital national interest, namely, that all Americans eligible to vote be treated in the same way by the Federal Election Campaign Act. The Gillmor-Tanner amendment is necessary because proposals have been made, both in this body and at the FEC, which would treat nearly 5 million Americans as second-class citizens politically. Namely, such proposals would deny American citizens who work for American subsidiaries of companies which are headquartered abroad an avenue of political association and participation that is guaranteed all other Americans, namely, the right to voluntarily contribute money to political candidates through political action committees sponsored by their employers.

Mr. Chairman, in my home State of Ohio, more than 218,000 Ohioans are employed by American subsidiaries of companies headquartered abroad, and there are more than 5 million Americans nationwide. That number is growing daily. It will get larger still as soon as the merger between Chrysler and Daimler-Benz is completed to form a new Daimler-Chrysler corporation.

It makes no sense to tell these Americans that today they may contribute to their company's political action committee, but the day the merger is completed they instantly become second class citizens and are denied this avenue of political participation. Even though the name on the paycheck may change,

these employees remain American citizens, and the vagaries of corporate mergers should not be permitted to deny them their rights as Americans.

Just as past barriers were erected to discourage participation in the political process, some of today's propositions attempt to deny participation based on where an American chooses to work. Just as discriminatory behavior was wrong then, it is wrong now. Foreign nationals should not be allowed to contribute to American campaigns. That practice is already against the law, and I believe we ought to uphold that law, and this amendment in no way changes the illegality of foreign campaign contributions.

Furthermore, both the current law and the Federal Election Commission regulations prohibit foreign nationals' contributions to or any foreign national decision-making with respect to either corporate or labor-sponsored political action committees, and those prohibitions would not be amended by this amendment.

In closing, Mr. Chairman, the political rights of American citizens must not be limited by race, gender or place of employment, and a vote for the Gillmor-Tanner amendment would protect the right of American citizens to be treated equally by our current election law and any reforms that may eventually be enacted.

Mr. Chairman, I yield to the gentleman from Connecticut (Mr. Shays).

Mr. SHAYS. Mr. Chairman, I know that the gentleman from Tennessee (Mr. Tanner) wants to speak. I just want to speak on behalf of the Meehan-Shays supporters, that we do support this amendment. It is a right of American citizens today.

I know we will have other amendments to consider, but we do support it and would urge others to support it as well.

Mr. GILLMOR. Mr. Chairman, I yield to the gentleman from California (Mr. Fazio).

Mr. FAZIO of California. Mr. Chairman, I rise in strong support of this amendment which I think is really an affirmation of existing law and one, however, that is needed because the debate, the discussion, of overseas contributions has been muddled to a point where some have implied that perhaps those who work for corporations that are headquartered in other parts of the world should be prevented from participating in our political system.

We are part of a global economy, and increasingly who we work for is going to change during the time in which we work for them. Gentleman pointed out the Daimler-Benz-Chrysler merger as a good example of a long-standing American corporation where its employees have contributed both to its union's political action fund and its corporate PAC, and under some proposals that have been made their <sup>rates</sup> will be truncated and eliminated. *R. Shays*

It seems to me the American people ought to be able to participate in politics regardless of the vagaries of who they work for at any given time. We all know that increasingly the subsidiaries, or even the companies that once were independent have become affiliated with entities that have not only multiple owners in terms of stockholders in most countries in the world, but perhaps the corporate headquarters anywhere else.

This amendment is, I think, an important reassertion of what should be a fundamental right for every American.

Mr. TANNER. Mr. Chairman, I move to strike the requisite number of words. Mr. TANNER. Mr. Chairman, I move to strike the requisite number of words.

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Chairman, I yield to the gentleman from Maryland (Mr. Hoyer).

Mr. HOYER. Mr. Chairman, I would associate myself with the remarks of the gentleman from California (Mr. Fazio).

Obviously the vagaries of employment are that on any given time a corporate entity may or may not be a foreign-held corporation, but the American citizen who wants to participate and contribute through such devices as are legally available to American citizens to do so should be maintained, and I think that is appropriate, and I support the gentleman's amendment.

Mr. TANNER. Reclaiming my time, Mr. Chairman, I understand the sponsors of the amendment are going to agree to this, and so in order to save time I submit my statement in support of the Gilmor amendment for the Record.

•Mr. Chairman, I rise to urge my colleagues to support an amendment which I have cosponsored with my colleague from Ohio, Mr. Gilmor, which would very simply protect the rights of all American citizens who are eligible to vote by ensuring that they will not be discriminated against as the result of changes we make to our campaign finance law.

•In our zeal to pass some kind of campaign finance reform, let's not inadvertently take away rights from Americans to participate in our electoral process. I think we all agree that we should be very careful not to pass any reform which hinders Americans from participating.

•Our amendment would make it clear that U.S. citizens who work for companies in the United States which happen to be foreign-owned will not lose the rights they presently enjoy to fully participate in federal campaigns.

•An amendment being proposed later in this debate would bar U.S. subsidiaries of foreign-owned companies from operating PACS. Under this proposal, the definition of 'foreign' would be decided by degree of ownership. Any company that is more than 51 percent foreign-owned would not be allowed to operate a PAC--regardless of the number of employees they have in the U.S. or the extent of their contributions to the U.S. economy.

•Let me first reiterate that U.S. law presently forbids foreign nationals from participating in any way in federal elections, including contributing to and making decisions about a PAC.

•Many U.S. subsidiaries make substantial contributions to our economy and are stellar corporate citizens. To discriminate against them and the U.S. citizens they hire is simply wrong. For instance, both Hardees and Burger King are foreign-owned, yet they--like U.S.-owned McDonalds--are U.S. institutions which hire American citizens to work in the thousands of restaurants all across my state and throughout this country. It would simply be unfair to deny American employees of Hardees and Burger King the basic right of participating in a PAC while ensuring American employees of McDonalds that they would continue to have the right to fully participate in their own government's election process.

•After all, those employees at Hardees and Burger King pay taxes, shop at local stores, volunteer for the local charities and otherwise contribute to their communities just as their neighbors do who work for U.S.-owned companies. I urge all of my colleagues to ask constituents in your district who work for U.S. subsidiaries if they should be treated as 'foreign'. I am sure the response will convince you that it is patently unfair to discriminate against these American workers.

•U.S. subsidiaries of companies based outside the U.S. are increasingly important participants in the American economy. In my home state of Tennessee:

•138,200 Tennessee workers are employed by U.S. subsidiaries

•From 1980 to 1995, Tennessee employment at U.S. subsidiaries increased more than five times faster than all jobs in Tennessee

•Employees at U.S. subsidiaries constitute over 6% of Tennessee's total work force

•Support the rights of ALL Americans to participate fully in our political process and give these employees at U.S. subsidiaries the assurance that we will not treat them as second class citizens

•Support the Gilmore-Tanner amendment

Ms. KAPTUR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wanted to take this opportunity because I will be offering amendments later in the month concerning foreign contributions to U.S. campaigns, and I respect my colleague from Ohio and his desire to preserve the rights of U.S. citizens regardless of where they work to participate in our political system. But I have to say to both the gentleman from Connecticut (Mr. Shays) and the gentleman from Massachusetts (Mr. Meehan) that sometimes what appears is not always everything that should appear in the offering of an amendment, and I think, as we move through this bill, there may be the opportunity to refine some of the concepts in the amendment currently on the floor from other issues that also bear on the subject of national interest versus any purely private interest. And I think under our laws it is pretty clear that U.S. elections should be for U.S. citizens and that we have a problem in this country in foreign money infecting U.S. campaigns on both sides of the aisle.

Mr. Chairman, we have seen what has happened when millions and millions of dollars manages to come into this country either as independent expenditures or for various candidates not being disclosed properly, and in some cases, even though the law says foreign citizens shall not contribute, in fact they end up contributing because the disclosure requirements for foreign contributions are not kept in a separate category at the FEC.

This issue is not as simple as it first appears on the surface, and so I would say with all due respect to my colleague from Ohio, though I respect the right of individual Americans to contribute to campaigns, I draw the line where in fact those contributions are coming from foreign interests. I do not care who those foreign interests are, this is a nationally sovereign country, and we should be able to safeguard the election processes inside our nation.

Now let me draw an example for those of us who served during this period of time when Toshiba Company through a subsidiary in northern Europe gave away U.S. submarine technology to the then Soviet state, and if I were asked if I think Toshiba should be able to contribute to U.S. elections, I would say absolutely not. Their ability to try to subvert the rightful penalties that they should have paid for that incredible act against this country and our national security should not have been rewarded by allowing that corporation to participate in any way in the U.S. political process

Now for their employees, for their employees to be able to participate as U.S. citizens they should be able to participate in their elections if they wish to support a candidate absolutely. But there are serious problems with the way in which foreign contributions are booked and with the way in which records are kept at the FEC.

I have studied this now for almost 10 years. I know this issue inside and out

So I would just say that I would vote present on the proposal offered by the gentleman from Ohio (Mr. Gillmor) if it were brought to a full vote here. I would encourage the gentleman from Connecticut (Mr. Shays) and the gentleman from Massachusetts (Mr. Meehan) to work with us as we try to get equal

disclosure on foreign contributions into the elections in this country and to try to draw a very clear line here on what we are talking about

Mr. Chairman, there is a difference between U.S. citizens and foreign interest participating in U.S. elections

Mr. SHAYS: Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR: I yield to the gentleman from Connecticut

Mr. SHAYS: Mr. Chairman, I thank the gentlewoman from Ohio (Ms. Kaptur) for the tone of her message and the strength of her message, and I agree with her comments, and one of the challenges that we have is, as these amendments come in, make sure we are touching base with all sides and making sure that we are able to meld this process so we can accommodate the various sincere and real concerns that Members have such as the gentlewoman, and I appreciate her present vote, and I appreciate her comments.

Ms. KAPTUR: Mr. Chairman, I thank the gentleman from Connecticut (Mr. Shays) very much, and I thank my colleague from Ohio (Mr. Gillmor) for alerting me to the fact that this amendment would be discussed, and we look forward to working with the gentleman as our amendment comes up on the floor.

Mrs. KELLY: Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the Gillmor-Tanner amendment which seeks to ensure that all American citizens are treated equally under the law. The political rights of American voters should not be determined by where they work.

Just as our Nation has assured equal political participation for all citizens regardless of race, gender or national origin, we should ensure that no class of Americans are denied an avenue of political participation that is available to all other Americans.

In my home State of New York nearly 349,000 American citizens work for American subsidiaries of companies headquartered abroad. It makes no sense that my constituent who works at their American-owned McDonald's can join with fellow employees and contribute to campaigns through a political action committee while their neighbor who works at a foreign-owned Burger King or Hardee's is denied this avenue of participation in our political system.

Mr. Chairman, it is only fair and common sense that we provide in our election law a provision to ensure that all Americans receive the same opportunities and avenues of political participation. I urge my colleagues to support the Gillmor-Tanner amendment.

[Page: H4864]

Mr. PRICE of North Carolina: Mr. Chairman, I move to strike the requisite number of words

Mr. Chairman, I rise in support of the Gillmor-Tanner amendment. I come from a State where the number of employees of U.S. subsidiaries of corporations headquartered in other countries has grown by 233 percent since 1980. Two of the largest employers in the high-tech Research Triangle Park, for example, Nortel and Glaxo-Wellcome, collectively employ 15,000 people in North Carolina. They make tremendous contributions to the U.S. economy, to the North Carolina economy, and to our local communities. It is unfair to discriminate against American citizens who are employees of these companies.

It is already illegal, Mr. Chairman, for foreign nationals to participate in political action committees. PACs are operated by U.S. employees and funds for PACs are provided only by U.S. employees. There is no reason to deny U.S. citizens the right to participate fully in the political process, and that includes financial participation.

The Gillmor-Tanner amendment is a straightforward amendment ensuring that all U.S. citizens are treated equally under our campaign finance laws regardless of where they work.

I encourage all colleagues to support this sensible and fair provision.

Mr. FRELINGHUYSEN: Mr. Chairman, I rise in support of the Gillmor amendment. This amendment has a simple objective: it ensures that American citizens who can vote in elections are not prohibited from participating in the political process solely because they work for U.S. subsidiaries of foreign-owned companies.

Although Federal election law already bars foreign nationals and foreign corporations from contributing to Federal candidates, in the current debate on campaign finance reform, amendments have been filed that would not only restrict foreign nationals from participating, but American citizens employed by foreign-owned companies as well.

Mr. Chairman, while intended to reduce foreign influence on our elections, such a change in election law would only end up excluding a class of Americans from enjoying rights held by all others. This approach would not only be unfair to the 209,000 residents of my state of New Jersey who work for U.S. subsidiaries of foreign-owned companies, but would also be constitutionally indefensible. The Gillmor amendment makes clear that campaign finance reform should apply equally to all Americans, and I urge my colleagues to support it.

The CHAIRMAN pro tempore: The question is on the amendment offered by the gentleman from Ohio (Mr. Gillmor) to the amendment in the nature of a substitute offered by the gentleman from Connecticut (Mr. Shays).

The question was taken; and the Chairman announced that the ayes appeared to have it.

#### RECORDED VOTE

Mr. GILLMOR: Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were--ayes 395, noes 0, answered 'present' 3, not voting 35, as follows:

Roll No. 251

[Roll No. 251]

AYES--395

•Abercrombie•Ackerman•Aderholt•Allen•Andrews•Archer•Armey•Bachus•Baesler•Baidacci•Ballenger•Barclay•Barrett (NE)•Barrett (WI)•Bartlett•Barton•Bass•Bateman•Becerra•Bentsen•Bereuter•Berman•Berry•Bilbray•Bilirakis•Bishop•Blagojevich•Bliley•Blumenauer•Boehler•Boehner•Bonilla•Bonior•Bono•Borski•Boswell•Boucher•Boyd•Brady (PA)•Brady (TX)•Brown (CA)•Brown (FL)•Brown (OH)•Bryant•Bunning•Burr•Burton•Buyer•Calvert•Camp•Campbell•Canady•Cannon•Capps•Cardin•Carson•Castle•Chabot•Chambliss•Chenoweth•Christensen•Clay•Clayton•Clement•Clyburn•Coble•Collins•Combest•Condit•Cook•Costello•Coyle•Cramer•Crane•Crapo•Cubin•Cummings•Cunningham•Danner•Davis (FL)•Davis (IL)•Davis (VA)•Deal•DeFazio•DeGette•Delahunt•DeLauro•DeLay•Deutsch•Diaz-Balart•Dickey•Dicks•Dingell•Dixon•Doggett•Dooley•Doolittle•Doyle•Dreier•Duncan•Dunn•Edwards•Ehlers•Ehrlich•Emerson•Engel•English•Ensign•Eshoo•Etheridge•Evans•Ewing•Farr•Fattah•Fawell•Fazio•Filner•Foley•Forbes•Ford•Fossella•Fowler•Fox•Frank (MA)•Franks

(NJ)•Frelinghuysen•Frost•Furse•Gallegly•Ganske•Gejdenson•Gekas•Gibbons•Gilchrist•Gillmor•Gilman•Goode•Goodlatte•Gordon•Goss•Graham•Granger•Greenwood•Gutierrez•Hall (OH)•Hall  
(TX)•Hamilton•Hansen•Harman•Hastert•Hastings  
(WA)•Hayworth•Hefley•Hefner•Herger•Hill•Hilleary•Hilliard•Hinckey•Hinojosa•Hobson•Hoekstra•Hooley•Horn•Hostettler•Houghton•Hoyer•Hulshof•Hunter•Hutchinson•Hyde•Inglis•Istook•Jackson (IL)•Jackson-Lee  
(TX)•Jefferson•Jenkins•John•Johnson (CT)•Johnson (WI)•Jones•Kanjorski•Kelly•Kennedy  
(RI)•Kennelly•Kildee•Kilpatrick•Kim•Kind (WI)•King  
(NY)•Kingston•Kleczka•Klink•Klug•Knollenberg•Kolbe•Kucinich•LaFalce•LaHood•Lampson•Lantos•Largent•Latham•LaTourette•Lazio•Lee•Levin•Lewis (CA)•Lewis  
(KY)•Linder•Lipinski•Livingston•LoBiondo•Lofgren•Lowey•Lucas•Luther•Maloney (CT)•Maloney  
(NY)•Manton•Manzullo•Markey•Mascara•Matsui•McCarthy (MO)•McCarthy  
(NY)•McCollum•McCrery•McDermott•McGovern•McHale•McHugh•McInnis•McIntosh•McIntyre•McKeon•McKinney•Meehan•Meek (FL)•Menendez•Metcalf•Mica•Millender•McDonald•Miller (CA)•Miller  
(FL)•Minge•Mink•Moakley•Mollohan•Moran (KS)•Moran  
(VA)•Murtha•Myrick•Nadler•Neal•Nethercutt•Neumann•Ney•Northup•Norwood•Nussle•Oberstar•Obey•Oliver•Owens•Oxley•Packard•Pallone•Pappas•Pascrell•Pastor•Paul•Paxon•Payne•Pease•Pelosi•Peterson  
(MN)•Peterson (PA)•Petri•Pickering•Pickett•Pitts•Pombo•Pomeroy•Porter•Portman•Poshard•Price  
(NC)•Pryce  
(OH)•Quinn•Radanovich•Rahall•Ramstad•Rangel•Redmond•Regula•Riggs•Riley•Rivers•Rodriguez•Roemer•Rogan•Rogers•Rohrabacher•Ros-Lehtinen•Roukema•Roybal-Allard•Royce•Rush•Ryun•Sabo•Sanchez•Sanders•Sandlin•Sanford•Sawyer•Saxton•Scarborough•Schaefer, Dan•Schaffer, Bob•Schumer•Scott•Sensenbrenner•Serrano•Sessions•Shadegg•Shaw•Shays•Sherman•Shimkus•Shuster•Sisisky•Skaggs•Skeen•Skelton•Slaughter•Smith (MI)•Smith (OR)•Smith (TX)•Smith, Adam•Smith, Linda•Snowbarger•Snyder•Souder•Spence•Spratt•Stabenow•Stark•Stearns•Stenholm•Stokes•Strickland•Stump•Stupak•Talent•Tanner•Tauscher•Tauzin•Taylor (MS)•Taylor  
(NC)•Thomas•Thompson•Thornberry•Thune•Thurman•Tiahrt•Tierney•Towns•Trafigant•Turner•Upton•Velaquez•Vento•Visclosky•Walsh•Wamp•Waters•Watkins•Watt (NC)•Watts (OK)•Waxman•Weldon  
(PA)•Weller•Wexler•Weygand•White•Whitfield•Wicker•Wise•Wolf•Woolsey•Wynn•Yates•Young  
(AK)•Young (FL)