FEDERAL ELECTION COMMISSION

RECORD

August 1988 999 E Street NW Washington DC 20463 Volume 14, Number 8

LEGISLATION

CONGRESS REPEALS MANDATORY REVIEW BY SUPREME COURT

On June 27, 1988, President Reagan signed into law an amendment to the judicial review procedures of section 437h of the Federal Election Campaign Act (FECA), which eliminated the Supreme Court's mandatory jurisdiction under these provisions. Under the old provision (repealed 2 U.S.C. §437h(b)), the Supreme Court was required to hear, on appeal, any Constitutional questions pertaining to the FECA that had been certified by a district court to a court of appeals under 437h(a).

The amended provision does not change the Supreme Court's discretionary power to review Constitutional issues.

The legislative change eliminated the mandatory jurisdiction of the Supreme Court in many areas of law. The FECA was one of seven different federal acts specifically affected by the new legislation. (See Public Law 100-352.)

SPECIAL ELECTIONS

TENNESSEE SPECIAL ELECTIONS

On August 25, Tennessee will hold a special primary election in its 2nd Congressional District to fill the remainder of deceased Congressman John J. Duncan's term, which expires on January 3, 1989. A special general election will be held on November 8, the same date as the regular general election for the House seat.

If a candidate is involved in both the special and regular elections for the seat, the candidate's committee should clearly indicate on the summary page and supporting schedules of each of its reports (FEC Form 3) that the report covers activity for both elections.

The FEC will send notices on reporting requirements and filing dates to individuals known to be actively pursuing election to these seats. All other political committees which support candidates in the special elections must also follow the reporting schedule for the special election(s). Note that monthly filers supporting candidates in the special elections should continue to file on their monthly schedule. (See the monthly filer chart on p. 3 of the January 1988 Record.)

For forms and more information on required reports, call: 202/376-3120 or, toll free, 800/424-9530.

CHART I
Candidates Running Only in Special Primary Election

Report	Period Covered*	Registered/Certified Mail Date**	Filing Date
Pre-primary	7/1-8/5	8/10	8/13
October quarterly	8/6-9/30	10/15	10/15

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SPECIAL ELECTIONS

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CHART II
Candidates Running in
Special Primary and General Elections

Report	Period Covered*	Registered/Certified Mail Date**	Filing Date
Pre-primary	7/1-8/5	8/10	8/13
October quarterly	8/6-9/30	10/15	10/15
Pre-general	10/1-10/19	10/24	10/27
Post-general	10/20-11/28	12/8	12/8
Year-end	11/29-12/31	1/31/89	1/31/89

**The beginning date for the period covered by the report is the date of registration, or the close of books for the last report filed, whichever is later. Thus, if a candidate's committee filed a report for the regular primary held on August 4 (i.e., for activity covering July 1 through July 15), the coverage dates for the pre-special primary election report would be July 16 through August 5.*

***Reports sent by registered or certified mail must be postmarked by the mailing date. Reports mailed first class or hand delivered must be received by the filing date.*

ADVISORY OPINIONS

ALTERNATE DISPOSITION OF ADVISORY OPINION REQUESTS

AOR 1988-16: Membership Organization's Support of Candidates Through PAC Independent Expenditures and Partisan Communications

On June 21, 1988, the Associate General Counsel notified the requester by letter that the Commission had failed to approve an opinion by the requisite four-vote majority.

AOR 1988-20: Eligibility of Corporation's Field Representatives for PAC Solicitations

On June 15, 1988, the requester, a corporation, withdrew its advisory opinion request.

AOR 1988-29: Democratic National Committee's Air Charter Program

On July 5, 1988, the requester withdrew the request. (See AOR summary below.)

AOR 1988-31: Preemption of County Ordinance Regulating Campaign Contributions

On July 19, 1988, the Associate General Counsel sent the requesters a letter explaining that an opinion will not be issued because the questions posed did not involve continuing or future activity of the requesters. (See AOR summary below.)

ADVISORY OPINION REQUESTS

The following chart lists recent requests for advisory opinions (AORs). The full text of each AOR is available to the public in the Commission's Office of Public Records.

AOR	Subject
1988-29	Nonprofit corporation established by national party committee to charter air flights for the party's Presidential nominee. (Date made public: June 14, 1988; Length: 5 pages)

The Record is published by the Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463. Commissioners are: Thomas J. Josefiak, Chairman; Danny L. McDonald, Vice Chairman; Joan Aikens; Lee Ann Elliott; John Warren McGarry; Scott E. Thomas; Walter J. Stewart, Secretary of the Senate, Ex Officio; Donnald K. Anderson, Clerk of the House of Representatives, Ex Officio. For more information, call 202/376-3120 or toll-free 800/424-9530. (TDD For Hearing Impaired 202/376-3136)

AOR	Subject
1988-30	Company's frequent publication of PAC information article in employee newsletter. (Date made public: July 7, 1988; Length: 2 pages, plus 2-page supplement)
1988-31	Act's preemption of county ordinance governing disclosure and aggregation of spouses' contributions to federal candidate. (Date made public: July 7, 1988; Length: 5 pages, plus 11-page supplement)
1988-32	Congressional campaign's reporting of last-minute contribution. (Date made public: July 15, 1988; Length: 1 page)
1988-33	State's distribution of candidate qualifying fees to state party committee's federal account. (Date made public: July 19, 1988; Length: 5 pages, plus 13-page supplement)

ADVISORY OPINIONS: SUMMARIES

An Advisory Opinion (AO) issued by the Commission provides guidance with regard to the specific situation described in the AOR. Any qualified person who has requested an AO and acts in accordance with the opinion will not be subject to any sanctions under the Act. 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 an AO and not rely only on the summary given here.

AO 1988-17: Corporation's Sale of Medallions Depicting Candidates and National Nominating Conventions

Election Concepts, Inc. (ECI), a corporation that produces commemorative medallions for political activities, may enter into contracts with the following parties to sell various commemorative medallions:

- Federal candidates, including Presidential, active in the 1988 pre-general election period;
- Federal PACs (i.e., separate segregated funds and nonconnected political committees); and
- Former candidates who have no outstanding debts from their federal elections.

Under all the proposed agreements with federal candidates, ECI will not absorb any production or marketing costs or make any payments to its clients (listed above). Nor will ECI seek to influence the nomination or election of any federal candidate. Accordingly, ECI's proposed medallion programs will not result in prohibited corporate contributions to these persons,* provided ECI and other vendors involved in the medallion marketing programs:

- Charge the usual and normal fee for their services; and
- Follow ordinary business practices. 11 CFR 100.7(a)(1)(iii).

Medallion Program for Federal Candidates

When ECI enters into a contract with a federal candidate to produce a bronze, silver or gold commemorative medallion, the candidate's campaign or compliance fund** will agree to bear all the costs for production of the medallions and for marketing them. Moreover, advertising brochures and other informational materials will instruct purchasers of the medallions (i.e., contributors to the candidates) to: (1) make their checks payable to a participating candidate's campaign committee or compliance fund and (2) send their order forms and checks directly to the candidate's committee or compliance fund. Thus, ECI's contractual arrangements with candidates will not result in prohibited corporate contributions to them. See AO 1982-24.

Medallion Program for Federal PACs

ECI may also sell medallions to federal PACs (i.e., separate segregated funds and nonconnected committees) that will, in turn, provide the medallions as gifts or souvenirs to their contributors. ECI will absorb any costs it incurs in marketing the medallions to the PACs. The Commission assumed that ECI's marketing program to PACs would not involve election-influencing activities or efforts.

continued

**The Commission distinguished its decision in this opinion from its conclusion in MUR 1166/1180. In that enforcement matter, the Commission found that a mint had made agreements to produce medallions for the major parties' Presidential tickets that were outside the ordinary course of business. The Commission therefore concluded that the mint's medallion program constituted prohibited contributions to and expenditures for the parties' national committees.*

***A compliance fund is a special account maintained by publicly funded Presidential nominees solely for paying legal and accounting expenses incurred in complying with the campaign finance law. Although publicly funded major party nominees may not accept contributions to further their elections, they may accept contributions from individuals of up to $1,000 for their compliance funds.*

Medallion Program for Presidential Conventions

ECI also proposed to produce convention medallions and sell them at each major party's convention and through direct mail catalogues. Since ECI provided very limited information on this program, the Commission referred ECI to the requirements of FEC regulations (11 CFR Part 9008) rather than addressing the legal ramifications of the plan.

Medallion Program for the General Public

Finally, ECI may produce and market various medallions to the general public by entering into joint venture agreements with individuals who: (1) were candidates in 1988 and (2) have no outstanding debts from their 1988 campaigns. See AOs 1982-66 and 1982-30. The Commission cautioned, however, that contracts with individuals who become candidates in upcoming elections may come within the purview of the election law and FEC regulations, depending on the facts and circumstances of the individual's candidacy. (Date issued: May 20, 1988; Length: 5 pages)

AO 1988-23: Air Travel Coupons Sold to Campaign

Travel coupons (i.e., reduced fare airline tickets) that Mr. Stephen Finley sells to a Congressional campaign would not be considered contributions to the campaign because he is offering the coupons at the going purchase rate in the Seattle market. (United Airlines has offered the coupons to airline travelers, such as Mr. Finley, who have relinquished their seats on oversold flights.) Mr. Finley based the price of his coupons on current rates offered by coupon brokers and rates advertised in Seattle newspapers.

FEC regulations do not prohibit a seller from entering into profitable transactions with federal candidates or the candidates' campaigns, provided the seller charges the usual and normal price for goods and services rendered. 11 CFR 100.7(a)(1)-(iii)(A) and (B); AO 1988-17. (Date issued: June 20, 1988; Length: 2 pages)

AO 1988-25: Cars Provided by Corporation to National Presidential Nominating Conventions

General Motors Corporation (GM) may loan a fleet of 250 automobiles at no charge to both the Republican National Committee and the Democratic National Committee, and to their respective convention or host committees. The automobiles will be used for each Committee's national Presidential nominating convention. Although GM's vehicle loan program does not fall within the specific exemptions delineated in the FEC's national nominating convention regulations, the Commission nevertheless concluded that the GM program would be the kind of activity sanctioned by those regulations.

Because GM's vehicle loan program will not result in contributions to the convention committees or to the host committees, the value of the transportation services provided by the loan program need not be reported. See 11 CFR 9008.1(b) and 9008.12(a)(2) and (b). However, because the FEC must be assured that the loan program remains within permissible bounds and must audit the activity of the host and the convention committees, all records pertaining to the loan program must be retained and furnished to FEC auditors. See 11 CFR 9008.8(b)(4)(vi) and (vii) and 9008.9.

GM's Vehicle Loan Program

GM will sell 250 vehicles to its local car dealers at the usual cost. The local dealers at each convention site, in turn, will provide 250 vehicles to each convention committee, or host committee, at no cost. At the end of each convention, the cars will be returned to the local car dealers. GM will then credit the dealers' accounts and rebill them for the cars at a 5 percent discount. The local dealers will not pay any operating expenses for the vehicles or provide drivers while the cars are in use by the convention committees.

Each convention committee will designate the loaned cars as its "official vehicles." With the approval of the committees, GM may also make reference to the committees' use of GM vehicles in promotional materials that the corporation distributes after the conventions.

GM proposes to conduct the program in accordance with promotional, nonpolitical programs it has conducted in the past, including conventions, sports events and other meetings occuring over the past two years where GM assigned cars, without charge, for up to 30 days.

GM Vehicle Loan Program Permissible

The election law prohibits any contribution or expenditure by a corporation in connection with any election, including a political convention held to select candidates for federal office. 2 U.S.C. §441b(a); 11 CFR 114.2(b). Under FEC rules, a corporate vendor must provide services at the usual or normal charge to avoid making a prohibited contribution to a federal candidate or committee. 11 CFR 100.7(a)(1)(iii)(A) and (B). Under longstanding Commission policy, a vendor discount or rebate is considered a "usual and normal charge" for services rendered to a federal candidate or committee, provided the vendor has given the same reduction to nonpolitical customers or clients under the same circumstances. See 11 CFR 100.7(a)(1)(iii)(A) and (B); AOs 1976-86, 1982-30, 1985-28 and 1986-22.

The GM loan program would be subject to the prohibition on corporate contributions, unless the program qualifed as one of the exceptions to the prohibition spelled out in the FEC's regulations for Presidential nominating conventions. (These regulations provide for payments from the U.S. Treasury to defray the major parties' convention expenses.)

Under exceptions to these rules, transportation services provided by government agencies and municipal corporations are not considered contributions to, or expenditures by, the national convention committees. 11 CFR 9008.7(b)(1) and (b)(2)(ii). The regulations also exempt products or services provided by retail businesses at discounted or reduced rates, provided these services are given in the ordinary course of business. 11 CFR 9008.7(c)(1)(i) and (ii).

Finally, under the convention committee rules, local retail businesses may donate funds (or services) to a host committee for its use in defraying convention expenses, such as transportation services. The amount of services donated must be proportionate to the commercial return reasonably expected by the business during the life of the convention. 11 CFR 9008.7(d)(3)(i) and (ii). See also AOs 1975-1, 1982-27 and 1983-29.

Although the GM program does not fall within the specific exemptions delineated in the regulations, and described above, the program represents the kind of activity sanctioned by FEC regulations. This conclusion was based on a number of factors, such as:

- o The similarity of the GM vehicle loan program to other programs undertaken by GM with regard to nonpolitical conventions, thus making the program an activity conducted in the ordinary course of business;
- o The assumption that the value of the services provided to convention committees through the vehicle loan program will be proportionate to the value provided in similar situations;
- o The obvious commercial benefit GM will reap from the program--a benefit that presumably will not be outweighed by the value of the services it provides to the convention committees; and
- o The unique promotional (as opposed to political) opportunities the conventions will provide for GM.

Commissioner Joan D. Aikens filed a concurring opinion. (Date issued: June 29, 1988; Length: 12 pages, including concurrence)

AO 1988-26: Hourly Wage Earners Not Solicitable

UNC Incorporated (UNC) may not, as part of its solicitation of executive and administrative personnel, solicit contributions to its separate segregated fund from pilot simulator training instructors who are permanent employees of UNC's subsidiary, Burnside-Ott. (The instructors train student pilots for the U.S. Navy under a contractual arrangement between the Navy and Burnside-Ott.) Because the instructors are paid on an hourly, rather than a salary, basis, they do not qualify as solicitable (i.e., executive or administrative) employees under the election law and FEC rules. See 2 U.S.C. §441b(b)(7) and 11 CFR 114.1(c).

Under the terms of the company's contract with the Navy, all Burnside-Ott personnel who work as full-time instructors for the Navy -- including company managers -- are paid an hourly wage. The legal provisions that exclude hourly wage earners from the definition of solicitable personnel apply to UNC's proposed solicitation of the instructors; these provisions specifically exclude the solicitation of hourly wage earners and do not contain any language permitting a waiver of this clear exclusion. (Date issued: July 7, 1988; Length: 3 pages)

CHANGE OF ADDRESS

Registered political committees are automatically sent the Record. Any change of address by a registered committee must, by law, be made in writing as an amendment to FEC Form 1 (Statement of Organization) and filed with the Clerk of the House, the Secretary of the Senate, or the FEC, as appropriate.

Record subscribers (who are not political committees), when calling or mailing in a change of address, are asked to provide the following information:

1. Name of person to whom the Record is sent.
2. Old address.
3. New address.
4. Subscription number. The subscription number is located in the upper left hand corner of the mailing label. It consists of three letters and five numbers. Without this number, there is no guarantee that your subscription can be located on the computer.

PARTNERSHIP CONTRIBUTIONS

This article answers several frequently asked questions about contributions by partnerships. For more detailed information, consult sections 100.10, 110.1(e) and 115.4 of FEC regulations or the FEC Campaign Guide series.

May a partnership of individuals make contributions to federal candidates and political committees? Yes. Because a partnership of individuals is included in the definition of "person" (11 CFR 100.10), it may make contributions to influence federal elections, but its contributions are limited.

What are the dollar limits on contributions by partnerships? A partnership may contribute up to $1,000 per election to a candidate for federal office, up to $5,000 annually to a political committee other than a candidate committee, and up to $20,000 annually to a national party committee.

Does a partnership's contribution also count against the contribution limit for each partner participating in the contribution? Yes. A contribution from a partnership counts proportionately against each contributing partner's personal limit. An individual partner, like a partnership, may contribute up to $1,000 per candidate, per election, up to $5,000 annually to other political committees and up to $20,000 annually to a national party committee. An individual must also limit total federal contributions to $25,000 a year. 11 CFR 110.1(a), (b), (c), (d) and (e) and 110.5.

For example, if the partnership of Smith and Jones used a partnership check to contribute $1,000 to Sally Keene's Congressional primary campaign, $500 of the contribution would be attributed to each partner and $1,000 would be attributed to the partnership as a whole. Although no additional contribution could be made to Ms. Keene's primary campaign from the partnership account, each partner could use a personal check to contribute an additional $500 to her primary campaign. The additional contribution(s) would count solely against each partner's personal limit.

How must a partnership allocate its contributions among its partners? A portion of a partnership contribution must be allocated to each contributing partner. If all partners within the organization participate in the political contribution, the partnership may allocate the contribution among the partners according to their share of the profits. However, if the partnership allocates contributions on another basis agreed to by the partners or if it attributes contributions only to certain partners, the following rules must be observed:

- o The contributing partners' respective profits must be reduced (or their losses increased) by the amount of the contribution attributed to them; and
- o The profits (or losses) of only the contributing partners must be affected. 11 CFR 110.1(e)(1) and (2).

May a partnership with corporate and individual members make contributions to federal candidates and committees? If so, how must these contributions be allocated? Yes, partnerships with corporate and individual members may make contributions, as long as no portion of the contribution is attributed to any corporate partner, including any partner that is a professional corporation. 11 CFR 114.7(d); AO 1982-63. Nor may the contribution affect the corporation's share of the partnership's profits or losses. See AO 1980-132.

FEC v. CESAR RODRIGUEZ

On June 15, 1988, the U.S. District Court for the Middle District of Florida granted the FEC's motion to:

- o Reopen the file in a suit the FEC had brought against Cesar Rodriguez (FEC v. Rodriguez; Civil Action No. 86-687-CIV-T-10); and
- o File an amended complaint within 15 days of the court's action.

The FEC's motion to reopen the complaint complied with a June 5, 1987, order by the court in the suit. In that action, the court directed the clerk of the court to administratively close the file in the case but allowed both the FEC and Mr. Rodriguez six months to file a motion to either reopen or dismiss the case. (On December 8, 1987, the court extended the parties' time to reopen the case until June 5, 1988.)

Background

In its original complaint against Mr. Rodriguez, filed in November 1986, the FEC asked the district court to declare that, during 1980, Cesar Rodriguez had violated section 441f of the election law by accepting contributions for the Carter/Mondale Presidential Committee which were made by one person in the names of other persons. Specifically, on behalf of Allen Wolfson,

Mr. Rodriguez had solicited contributions to the Carter/Mondale Presidential Committee and had subsequently reimbursed each contributor for his/her contribution.

District Court Action

The Florida district court, on May 5, 1987, denied the Commission's motion for summary judgment. The court held that the defendant had aided and abetted a violation of the first clause of 2 U.S.C. §441f ("No person shall **make** a contribution in the name of another...") rather than the last clause of 441f, as the Commission had alleged ("No person shall knowingly **accept** a contribution made by one person in the name of another...."). Based on this finding, the court directed the Commission to address the question of whether the agency "can effectively amend the complaint and go forward with this case, or whether it must begin again under the governing statute at the administrative level."

On May 20, 1987, the FEC notified the court that it had decided to reopen its own administrative proceedings in the case. Based on these proceedings, the Commission subsequently found probable cause to believe that Mr. Rodriguez had violated the election law by assisting in the making of contributions in the name of another. Failing to reach conciliation with the defendant, the Commission on March 15, 1988, again initiated a civil suit against Mr. Rodriguez.

Rather than bringing a new complaint against Mr. Rodriguez for this violation, however, the FEC decided to ask the court to:

- o Reopen the file on the FEC's original complaint; and
- o Accept an amended complaint reflecting the agency's new findings.

NEW LITIGATION

FEC v. Californians for a Strong America

The FEC asks the court to declare that Californians for a Strong America, a nonconnected political committee, and the committee's treasurer, Albert J. Cook, violated 2 U.S.C. §434(a)-(4)(A) by failing to file the 1985 year-end report, the April 1986 quarterly report and the 1986 July quarterly report on time.

The FEC further asks the court to:

- o Assess an appropriate civil penalty against the defendants; and
- o Permanently enjoin the defendants from any further violations of the election law.

U.S. District Court for the Central District of California, Civil Action No. 88-1554, March 20, 1988.

PUBLICATIONS

REPRINTS OF RECORD ARTICLES AVAILABLE

Callers inquiring about different aspects of the law often ask whether the Commission has materials on their topic of interest. In response to these requests, many previously published 800 Line articles have been transformed into handouts for quick and easy reference. Periodically appearing in the Record, the 800 Line articles answer frequently asked questions about specialized topics relating to election law, such as fundraisers or transfers of funds.

Other handouts on specific topics, not previously published, are available as well.

For convenience, handouts have been grouped in the list below according to their intended audience. For each handout taken from the Record, a parenthetical reference indicates the month and year when the article was originally published.

Readers will find the handouts to be a valuable resource. The Commission provides them free of charge. To order, call the FEC's Information Services Division at 800/424-9530 or 202/376-3120.

For All Committees

- o Computerized Format for Reporting (11:80)
- o Contribution Limits
- o Joint Fundraising
- o Overall Annual Limit on Contributions for Individuals (7:83)
- o Public Records Fee Schedule
- o State Filing Offices
- o 1988 Filing Dates

For Authorized Candidate Committees

- o Concert Fundraisers (12:82)
- o Disposal of Campaign Property (1:83)
- o Presidential and Congressional Primary Dates (1:88)
- o Termination Procedures/Winding Down the Campaign
- o Transfer of Candidate Funds to Federal Committee (1:86)

For Unauthorized Committees

- o Delegates/Delegate Committees (11:87)
- o Partnerships (6:83)
- o Reporting Internal Communications by Corporations, Labor Organizations and other Membership Organizations
- o Single Candidate Committees (10:87)
- o SSF & Nonconnected Committees (10:82)

continued

For Teachers, Students and Researchers

- o Dear Educator Letter (Describes FEC resources and services available to educators)
- o Dear Librarian Letter (Describes available research materials and FEC resources)
- o Educational Materials and Services (5:84)
- o Legislative History Reference Information
- o Presidential Election Campaign Fund Chart

FEDERAL REGISTER

FEDERAL REGISTER NOTICES

Copies of notices are available in the Public Records Office.

Notice	Title
1988-1	11 CFR Parts 109 and 114: Corporate and Labor Expenditures; Advance Notice of Proposed Rulemaking (53 Fed. Reg. 416; January 7, 1988)
1988-2	Filing Dates for Louisiana Special Elections (53 Fed. Reg. 1510; January 20, 1988)
1988-3	11 CFR Part 110: Rulemaking Petition; Ted Haley Congressional Committee (53 Fed. Reg. 2500; January 28, 1988)
1988-4	11 CFR Parts 102 and 106: Allocation Between Federal and Nonfederal Accounts; Notice of Inquiry (53 Fed. Reg. 5277; February 23, 1988; correction published March 3, 1988)
1988-5	Filing Dates for Virginia Special Elections (53 Fed. Reg. 7235; March 7, 1988)
1988-6	Filing Dates for New Jersey Special Elections (53 Fed. Reg. 12188; April 13, 1988)
1988-7	Filing Dates for Illinois Special Elections (53 Fed. Reg. 16781; May 11, 1988)
1988-8	Notice of Filing Date for Tennessee Special Elections (53 Fed. Reg. 26500; July 13, 1988)

STATISTICS

PAC ACTIVITY FOR FIRST 15 MONTHS OF 1987-88 CYCLE

Between January 1, 1987, and March 31, 1988, PACs (i.e., political committees that are not established by candidates or political parties) contributed a total of $56.4 million to federal candidates seeking election in 1988—a 34 percent increase over total funds contributed by PACs to candidates during the same period in the 1985-86 election cycle. These figures are based on FEC reports filed by 4,527 PACs, of which 2,676 (or 59 percent) actually made contributions to federal candidates.

The PAC study released by the FEC on June 22 also showed that, with the exception of nonconnected PACs, PACs increased their overall financial activity over the same period in the 1985-86 election cycle. By contrast, receipts for nonconnected PACs (i.e., PACs that have neither been authorized by a federal candidate nor sponsored by an organization) dropped by 17 percent. Nonconnected PAC disbursements declined by nearly 19 percent.

PARTY ACTIVITY SHIFTS IN '88 CYCLE

Despite a decline in financial activity from the 1985-86 election cycle, the Republican Party's three national committees maintained a cash advantage over their Democratic counterparts during the first 15 months of the current election cycle (i.e., from January 1, 1987, through March 31, 1988). Information released by the FEC on June 24th showed that the Republican national committees raised $97.2 million, as compared with $29.3 million raised by their Democratic counterparts. (See Chart II on page 10.)

With more money at their disposal, the Republican national committees transferred to the Party's state and local committees more than 20 times the amount of funds transferred by their Democratic counterparts (i.e., $1,735,168, as compared with the $85,047 transferred by the Democratic national committees).

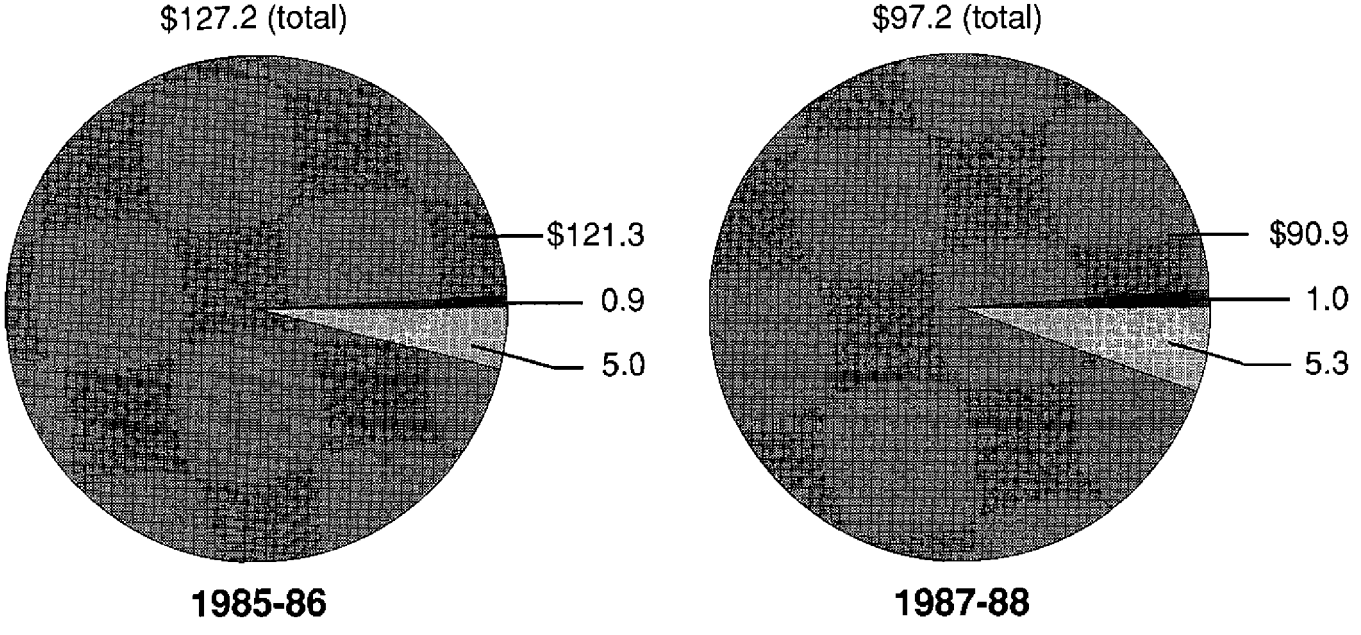
The FEC's information also showed that the sources of receipts for the major parties' national committees had shifted slightly from the last election cycle. A slightly larger proportion of their contributions came from PACs during the first 15 months of the current cycle than during the same period in the 1985-86 cycle. (See Chart I on page 9.)

More detailed information on national party committee activity may be obtained from the FEC's June 24, 1988, press release. For a copy of the release, call the FEC's Public Records Office at 202/376-3140 or, toll free, 800/424-9530.

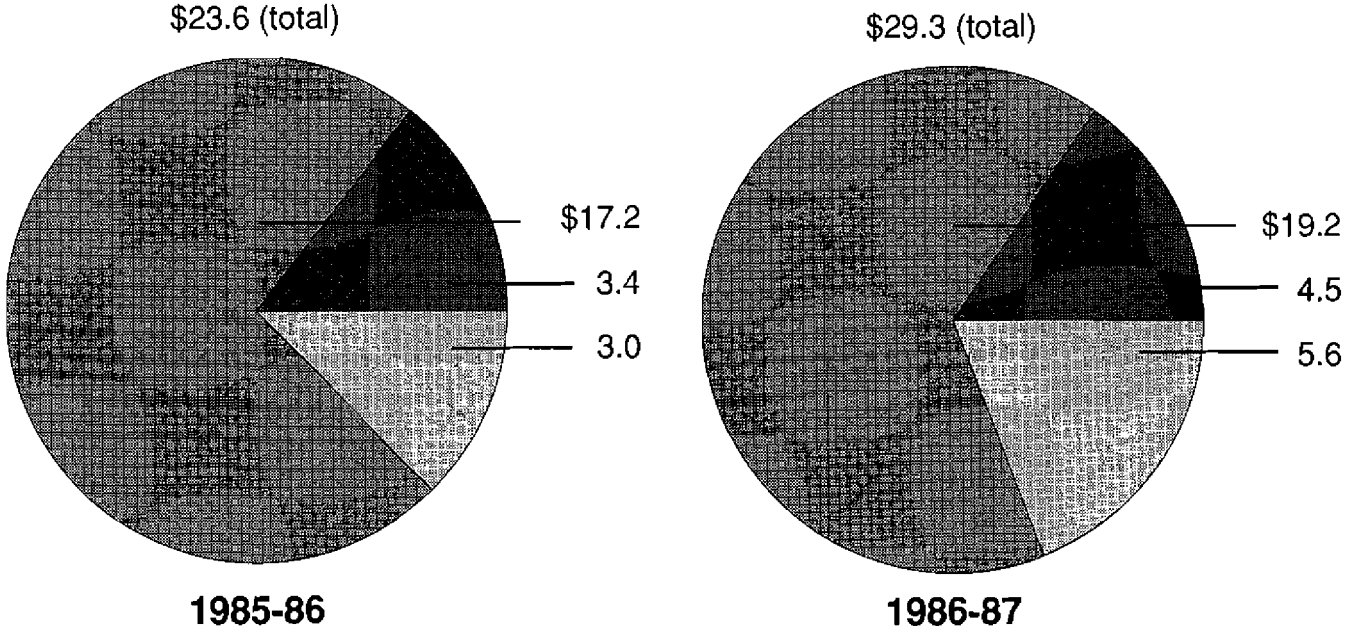
CHART I
SOURCE OF PARTY RECEIPTS,
Through March 31 of the Election Year

Contributions from Individuals
PAC Contributions
Other*

REPUBLICAN PARTY

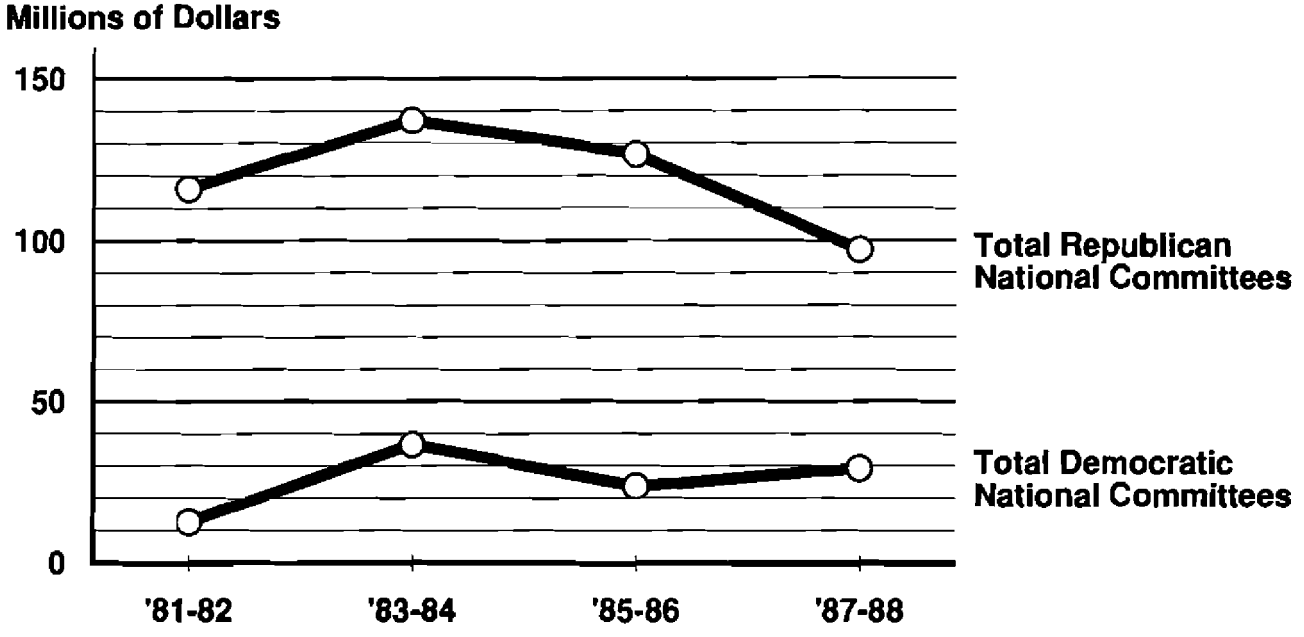


DEMOCRATIC PARTY



*Other receipts of party committees include: loans, refunds, rebates, interest earned, dividends, and other receipts.

CHART II
PARTY* RECEIPTS,
Through March 31 of the Election Year



*Graph reflects total receipts of the national committee, the Senate campaign committee and the Congressional campaign committee.

FEDERAL ELECTION COMMISSION
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Washington, DC 20463

Official Business

Bulk Rate Mail
Postage and Fees Paid
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