

FEDERAL ELECTION COMMISSION

PR



Press Office
999 E Street, N.W., Washington, D.C. 20463
Phone: Local 376-3155 Toll Free 800-424-9530

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CONTACT: FRED EILAND
SHARON SNYDER
SCOTT MOXLEY

FEC TO SEEK PUBLIC COMMENT ON FOREIGN-OWNED U.S. CORPORATE PAC RULES

WASHINGTON -- The Federal Election Commission has voted to seek public comment concerning proposed regulation of political action committees established by foreign-owned U.S. corporate subsidiaries.

Although it has decided to seek comments on this question, the Commission has not yet made the decision to adopt new regulations.

The FEC's General Counsel's office was directed to present a "Draft Notice of Proposed Rulemaking" at a future public meeting. If approved, the draft notice would then be published for comments in the Federal Register.

As background, the FEC has received a series of advisory opinion requests asking whether U.S. domestic subsidiaries, either partially or totally owned by foreign nationals, may participate in U.S. elections by either establishing PACs and soliciting U.S. citizens for contributions or by contributing directly in state and local races. In most of these advisory opinions, the Commission has found specific domestic subsidiaries were not "foreign nationals" and therefore the proposed activity would be permissible under federal law. The term "foreign national" includes individuals, corporations and partnerships.

Foreign nationals are prohibited from directly or indirectly giving contributions or making expenditures in connection with any local, state or federal election to public office.

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