

FEDERAL ELECTION COMMISSION



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 SEEKS PUBLIC COMMENTS ON PROPOSED RULES GOVERNING FOREIGN NATIONALS

WASHINGTON--A deadline of October 12, 1990, has been set by the Federal Election Commission for public written comments to help the agency determine whether changes are warranted in its regulations governing foreign nationals.

The Commission also set Wednesday, October 31, 1990, for a public hearing on this subject.

In its "Notice of Proposed Rulemaking", the FEC's proposed rule would treat a domestic corporation as a foreign national under the Federal Election Campaign Act if foreign ownership of the corporation exceeds fifty percent.

Comments also are being invited on the Commission's current rules governing foreign nationals, including any suggestions which would assure compliance with those rules, and any other proposals which would assure compliance with the law.

Written comments should be addressed to Ms. Susan E. Propper, Assistant General Counsel, FEC, 999 E St., N.W., Washington, D. C., 20463. Persons wishing to testify at the public hearing should so indicate in their written comments.

Federal election laws prohibit foreign nationals from directly or indirectly making contributions or expenditures in connection with any local, state or federal election to public office.

Since 1978, the FEC has responded to a number of advisory opinion requests regarding the application of the law to U.S. domestic subsidiaries that are either partially or totally owned by foreign national corporations. These corporations have been allowed to engage in election-related activity as long as two basic conditions are met. First, the individuals who exercise decision-making authority with respect to those political activities must be citizens of the U. S., or individuals who are lawfully admitted for permanent residence. Second, the funds used for those political activities must not come from the foreign national parent or from a foreign citizen.

A tightening of the rules defining domestic corporate subsidiaries of foreign nationals not only could prohibit them from establishing political committees that could contribute or spend money in connection with federal elections, but also would bar them from election-related activities in connection with state and local elections.

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