

FEDERAL ELECTION COMMISSION



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FEC SETS ADDITIONAL DAY FOR HEARINGS ON FOREIGN NATIONALS

WASHINGTON--An additional day has been added by the Federal Election Commission for public hearings on its proposed rulemaking governing foreign nationals. The hearings were originally set to start at 10 a.m. Wednesday, October 31, but the opening session has now been set for 2 p.m. Tuesday, October 30, continuing into Wednesday, providing more time for all who may wish to testify.

Written comments and requests to appear at the public hearings were to have been submitted no later than the close of business today, October 12.

The FEC's proposed rules would treat a domestic corporation as a foreign national under the Federal Election Campaign Act if foreign ownership of the corporation exceeds 50 percent.

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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