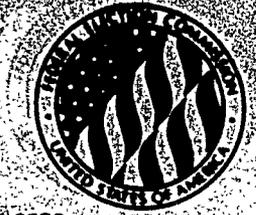


FEDERAL ELECTION COMMISSION



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

FOR IMMEDIATE RELEASE:
THURSDAY, JUNE 13, 1991

CONTACT: FRED EILAND
SHARON SNYDER
SCOTT MOXLEY

FEC VOTES NO CHANGE IN FOREIGN NATIONAL-PAC RULES

WASHINGTON -- The Federal Election Commission ended a proposed rulemaking which would have banned political action committees established by foreign-owned U.S. corporate subsidiaries.

The Commission, by a vote of four to two, rejected the FEC General Counsel's recommendation to prohibit U.S. corporations with more than 50 percent foreign national ownership from establishing and maintaining PACs involved in American elections.

Voting against the Counsel's recommendation were Chairman John Warren McGarry, Vice Chairman Joan Aikens and Commissioners Lee Ann Elliott and Thomas Josefiak. Commissioners Danny Lee McDonald and Scott Thomas were in favor of the recommendation. At least four votes are necessary to approve any recommendation or motion.

The FEC published the proposed rulemaking concerning foreign nationals in August 1990. Eighty-four written comments were received. During a public hearing in October 1990, thirteen groups of witnesses testified on the subject.

Federal election law prohibits foreign nationals from making a contribution directly or through any other person in connection with an election for any federal, state or local political office.

In advisory opinions issued dealing with specific situations, the Commission has ruled that foreign-owned domestic corporate PACs can engage in election related activities as long as two basic conditions are met. First, the individuals who exercise decision-making authority for the PAC must be U.S. citizens. Second, foreign national corporations or citizens cannot be the source of funds used by the PAC.

93080205174