



FEDERAL ELECTION COMMISSION
Washington, DC 20463

May 17, 1978

AO 1978-23

Mr. William J. Holayter
Director
Machinists Non-Partisan Political League
1300 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Holayter:

This refers to your letter of March 29, 1978, requesting an advisory opinion concerning application of the Federal Election campaign Act of 1971, as amended ("the Act"), to the proposed use of a payroll deduction plan which would facilitate the making of political contributions to the Machinists Non-Partisan Political League ("the League") by members of the International Association of Machinists ("IAM").

You state that the Square D Company and IAM (and other unions) are in negotiations and have agreed that, if lawful under the Act, Square D will allow IAM members "to sign authorization cards to allow the employer to deduct political contributions of specified amounts from their paychecks and forward them to the . . . League." The Square D Company solicits employees "outside of the bargaining units represented by the unions" for political contributions; however, the Company has not provided a payroll deduction plan for facilitating contributions from those persons to the separate segregated fund of the Company. The question presented is whether the Act permits the Company, which does not provide payroll deduction for facilitating political contributions from its nonunion employees, to make a payroll deduction plan available for collecting political contributions from IAM members.

Section 441b(b) of Title 2, United States Code, provides for establishment by corporations and labor unions of separate segregated funds, and for facilitating the making of contributions to such funds. Commission regulations at 11 CFR 114.5(a)(4) provide that lawful methods of facilitating contributions may be made available by corporations to labor unions regardless of whether or not the corporation uses such methods:

"If a corporation uses no method to solicit voluntary contributions or to facilitate the making of voluntary contributions from stockholders or executive or administrative personnel, it is not required by law to make

any method available to the labor organization for its members. The corporation and the labor organizations may agree upon making any lawful method available even though such agreement is not required by the Act."

See also the Report of the Committee of Conference on S. 3065, Report No. 94-1057, p. 62, 1976.

Accordingly, it would be permissible under the Act for the Company to make a payroll deduction plan available to IAM for the purpose of facilitating political contributions by IAM members to the League. The Commission notes that all contributions facilitated by means of a payroll deduction system used by IAM members must be otherwise lawful under the Act, and contributions collected via the system must have been solicited and obtained in a manner which complies with 2 U.S.C. 441b(b)(3) and 114.5(a) of the Commission's regulations. See also 11 CFR 114.1(i).

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act or prescribed as a Commission regulation to the specific factual situation set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)
Thomas E. Harris
Chairman for the
Federal Election Commission