

**The original documents are located in Box 15, folder “Federal Election Commission - Officeholder Accounts” of the Philip Buchen Files at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Wednesday 7/30/75

3:35 At Barry's request, called Marilyn Early, Tom Curtis' secretary, to tell her we are working on the question of an "office account" of the President -- and will be in touch with them shortly.

382-5162



Thursday 7/24/75

4:15 Bill Emerson, Exec. Asst. to Chairman Curtis of the Federal Elections, called to ask about Mr. Curtis' letter of 7/10. They have a task force working on regulations in pursuit of the Act and they are about to wrap it up -- and would like to know when they can have an answer.

382-5162

382-8785 (direct)

(see attached copy; original went to Barry on 7/15)



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 10, 1975

Philip W. Buchen, Esq.  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Buchen:

The Federal Election Commission is currently conducting a review of 2 U.S.C. §439(a) of the Federal Election Campaign Act, as amended, concerning what is frequently referred to as an "office account" or "newsletter fund".

As we are now drafting the necessary regulations, it would be most helpful if your office would inform the Commission as to whether President Ford maintains an account of this nature. Certainly any input from your office in this area as to past, present, and future procedure would be appreciated.

If we can be of any service, please contact us.

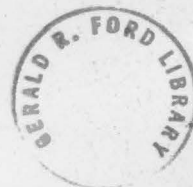
Thank you for your assistance.

Sincerely,



Thomas B. Curtis  
Chairman

TBC:nkb



*Federal Election*

*Comm.*

Wednesday 7/30/75

3:35 At Barry's request, called Marilyn Early, Tom Curtis' secretary, to tell her we are working on the question of an "office account" of the President -- and will be in touch with them shortly.

382-5162



Thursday 7/24/75

4:15 Bill Emerson, Exec. Asst. to Chairman Curtis of the Federal Elections, called to ask about Mr. Curtis' letter of 7/10. They have a task force working on regulations in pursuit of the Act and they are about to wrap it up -- and would like to know when they can have an answer.

382-5162

382-8785 (direct

(see attached copy; original went to Barry on 7/15)



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 10, 1975

Philip W. Buchen, Esq.  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Buchen:

The Federal Election Commission is currently conducting a review of 2 U.S.C. §439(a) of the Federal Election Campaign Act, as amended, concerning what is frequently referred to as an "office account" or "newsletter fund".

As we are now drafting the necessary regulations, it would be most helpful if your office would inform the Commission as to whether President Ford maintains an account of this nature. Certainly any input from your office in this area as to past, present, and future procedure would be appreciated.

If we can be of any service, please contact us.

Thank you for your assistance.

Sincerely,



Thomas B. Curtis  
Chairman

TBC:nkb



THE WH  
WASHINGTON

Barry:

If these are <sup>proposed</sup> rules  
to take effect  
pursuant to Title 5, c. 5  
of USC (Election law  
§ 437d) how do we  
react to get them  
changed before they  
become final?

P



They will have to be published  
in Federal Register after sitting in  
Congress for 30 legislative days.  
Unclear whether there will be public  
comment, but we can certainly comment  
on them at the present time.  
Peter Wallison would like to do so in a joint letter. BR



THE WHITE HOUSE  
WASHINGTON

Date 8/1/75

TO: Phil Buchen

FROM: Barry Roth *BR*

For your information.



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

1325 K Street, N. W.  
Washington, D. C. 20463  
202-382-5162

July 30, 1975

Honorable James O. Eastland  
President Pro Tempore  
United States Senate  
Washington, D. C. 20510

Dear Mr. President:

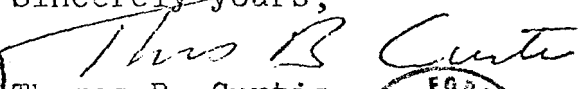
In accordance with Section 316(c) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 438c, the Federal Election Commission transmits herewith a proposed regulation pertaining to accounts used to support the activities of Federal officeholders.

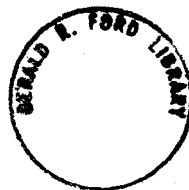
The proposed regulation serves several purposes, all related to the Commission's mandate to secure compliance with the disclosure and contribution and expenditure limitations of the 1971 Act as amended. It requires the establishment of a system of accounts which differentiates between funds spent under 39 U.S.C. Section 3210, relating to the use of the frank, and funds otherwise contributed or expended to support the activities of Federal officeholders, other than appropriated funds. It requires full disclosure of contributions to and expenditures from each account. It affirms the applicability of the limitations of 18 U.S.C. Sections 608, 610, 611, 613, 614 and 615, to contributions and expenditures of funds supporting the activities of Federal officeholders, save for funds designated for use and used under 39 U.S.C. Section 3210, and funds appropriated by the Congress for legislative activities. The regulation also partially qualifies the uses to which excess campaign funds may be put.

A unanimous Commission believes that the proposed regulation represents both a fair and a necessary effort to fulfill the Commission's obligation to cause the fullest possible disclosure of election-related contributions and expenditures, and to assure observance of the limitations on contributions and expenditures which are at the heart of the 1971 Act, as amended.

The Commission includes with this letter three attachments. Attachment 1 is the text of the proposed regulation, and Attachments 2 and 3 are, respectively, the explanation and justification of the proposed regulation, as required by the Act.

Sincerely yours,

  
Thomas B. Curtis  
Chairman



TBC:me  
Attachments

PART 113 - OFFICE ACCOUNTS AND FRANKING ACCOUNTS; EXCESS CAMPAIGN

CONTRIBUTIONS

§ 113.1 Definitions.

§ 113.2 Contribution and Expenditure Limitations and Prohibitions.

§ 113.3 Deposits of Funds into Office and Franking Accounts.

§ 113.4 Reports of Franking Accounts.

§ 113.5 Reports of Office Accounts.

§ 113.6 Excess Campaign Funds.

§ 113.1 Definitions.

(a) Commission. "Commission" means the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, (202) 382-5162.

(b) Excess campaign funds. "Excess campaign funds" means the surplus of campaign receipts, including all contributions, sales and income, over campaign expenditures.

(c) Franking account. "Franking account" means an account which is used exclusively for the purpose of receiving and expending funds pursuant to 39 U.S.C. §3210. Such funds may not be transferred to any other account or political committee.

(d) Office account. "Office account" means an account other than a franking account which is used for the purpose of supporting the activities of a federal officeholder.

(e) Principal campaign committee. "Principal campaign committee" means the political committee designated by a candidate as his or her principal campaign committee pursuant to 2 U.S.C. §432(f)(1).

(f) Legislative activities. "Legislative activities" means those activities which are paid for solely out of appropriations approved by either or both houses of Congress, for use by members and members-elect of Congress. Such appropriations include but are not limited to those for salaries, constituent services, stationery, travel and general office expenses.



§ 113.2 Contribution and Expenditure Limitations and Prohibitions.

(a) All funds including but not limited to gifts, loans, advances, credits or deposits of money or any other thing of value which are received or expended by an incumbent or elected holder of a federal office for the purpose of supporting his or her activities as a holder of such office shall be considered contributions or expenditures subject to the limitations of 18 U.S.C. §§ 608, 610, 611, 613, 614 and 615.

(b) Notwithstanding subsection (a) of this section the limitations of 18 U.S.C. § 608 do not apply (1) when a contributor states in writing that the contribution is to be used exclusively for expenditures made pursuant to 39 U.S.C. §3210, provided that such contributions shall be deposited in a franking account, or (2) when expenditures are made from funds provided for legislative activities.

§ 113.3 Deposits of Funds into Office and Franking Accounts.

Except for funds appropriated for legislative activities, all funds received by or on behalf of a federal officeholder for the purpose of supporting his or her activities as a holder of such office shall be deposited into one of the following accounts:

(a) an account of the officeholder's principal campaign committee, pursuant to 2 U.S.C. §437b, or

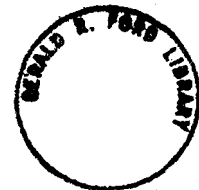
(b) a franking account, or

(c) an office account, pursuant to 2 U.S.C. §437b.

§113.4 Reports of Franking Accounts.

(a) All individuals having franking accounts shall file reports with the Commission on April 10 and October 10 of each year.

(b) The April 10 report shall include all receipts and expenditures



made from October 1 of the prior year to March 31 of each year.

The October 10 report shall include all receipts and expenditures made from April 1 to September 30 of each year. These reporting obligations shall be effective prospectively on the effective date of this regulation (designated Part 113).

(c) Such reports shall include the name, address, occupation and principal place of business of all persons making contributions aggregating in excess of \$100 during the reporting period. Such reports shall include the name and address of all persons receiving expenditures aggregating more than \$100 during the reporting period.

(d) Forms will be provided by the Commission to implement this section

#### §113.5 Reports of Office Accounts.

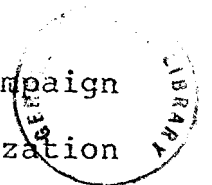
(a) All individuals having office accounts shall report as if such account is a political committee, and on forms provided for that purpose, pursuant to 2 U.S.C. §434.

(b) If the officeholder, former officeholder, or candidate has designated a principal campaign committee such individual shall file the reports required by this section with such principal campaign committee.

(c) If the officeholder, former officeholder, or candidate has not designated a principal campaign committee such individual shall file the reports required by this section with the Commission.

#### § 113.6 Excess Campaign Funds.

(a) A principal campaign committee may transfer excess campaign funds to an office account, a franking account, an organization



described in 26 U.S.C. §170(c), or for any other lawful purpose.

(b) Excess campaign funds expended on or before December 31 in an election year will be considered expenditures for the last election of that year. Excess campaign funds not expended or transferred by December 31 of an election year will be considered expenditures for the next election when they are expended or transferred. Except for transfers to a franking account, such expenditures, whether made before or after December 31 of an election year, are subject to the expenditure limitations of 18 U.S.C. 608(c).



EXPLANATION OF PART 113 - OFFICE ACCOUNTS AND FRANKING  
ACCOUNT; EXCESS CAMPAIGN CONTRIBUTIONS

The following explanation of part 113 will follow the proposed regulation section by section, omitting only those sections which are self-explanatory.

§113.1 Definitions.

(b) Excess campaign funds. The terms "contribution" and "expenditure" are defined in the Federal Election Campaign Act, 2 U.S.C. §431 et seq. The Commission, in regulations which are to follow this regulation, will further define these two terms. The term "expenditures" includes, for the purposes of this regulation, goods or services ordered or received but not yet paid for. The term "receipts" includes all money or other things of value actually received. For example, if a principal campaign committee orders and receives \$10,000 worth of bumper stickers but does not pay for them, the \$10,000 nonetheless counts as an expenditure. A pledge to make a \$1,000 contribution does not count for excess campaign funds purposes until actual receipt of the monies pledged. In other words, excess campaign funds are the total assets of a campaign less debts and other commitments.

(c) Franking account. A franking account can be used for all uses enumerated in 39 U.S.C. §3210 including, but not limited to:

(1) mail matter regarding governmental programs and actions of a past or current Congress,



- (2) newsletters,
- (3) press releases,
- (4) questionnaires.

Personal and political letters can not be sent under the frank. Mass mailings can not be sent under the frank less than 28 days before an election.

Expenditures can be made from a franking account for the preparation and printing of materials sent under the frank.

(d) Office account. Examples of expenditures which would be made from an office account are travel expenses, expenditures for printing non-frankable matter (e.g., newsletters and questionnaires sent less than 28 days before an election) and telephone expenses over and above Congressional allowances.

(f) Legislative activities. Activities paid for by donations, over and above Congressional allowances, are deemed not to be legislative activities.

### §113.2 Contribution and Expenditure Limitations and Prohibitions.

All contributions and expenditures from an office account are treated as political contributions and expenditures. A person can therefore make only a \$1,000 contribution per election to either a candidate's office account or to his or her principal campaign committee, or can split the \$1,000 between the two accounts. 18 U.S.C. §608(b). Similarly, a candidate and his immediate family can personally spend only \$25,000, if a Member of the House of



Representatives, or \$35,000 if a Senator, for office expenses and campaign expenditures combined. 18 U.S.C. §608(a).

The above contribution and expenditure limitations do not apply to contributions "earmarked" for a franking account or expended by such an account. However, contributions to a franking account from corporate and union treasuries are prohibited (18 U.S.C. §610), as are contributions by government contractors (18 U.S.C. §611), contributions by foreign nationals (18 U.S.C. §613), contributions in the name of another (18 U.S.C. §614) and cash contributions of more than \$100 (18 U.S.C. §615).

### §113.3 Deposits of Funds into Office and Franking Accounts.

This section provides for the deposit of funds into three segregated accounts: 1) principal campaign committee, 2) office, and 3) franking. An officeholder is not required to set up any of these accounts if he or she does not receive contributions or make expenditures over and above Congressional allowances for legislative activities. Further, even if an officeholder receives contributions to support his or her activities as a holder of such office, the officeholder need not establish a principal campaign committee. An officeholder, not wishing to establish a campaign organization, can set up an office account and not designate a principal campaign committee.

Office accounts, inasmuch as they are treated as political committees, must designate depository pursuant to 2 U.S.C. §437(b).



§113.4 Reports of Franking Accounts.

Franking accounts are required to file two six month reports per year with the Commission on April 10 and October 10. These reports will include the same type of information that is required on reports of political committees. The October 10 report will include expenditures for mass mailings made prior to the general election, since a franking account can not be used for such mailings 28 days before an election.

§113.5 Reports of Office Accounts.

Office accounts are required to file quarterly reports of receipts and expenditures in the same manner as political committees. If the officeholder has designated a principal campaign committee the office account will file reports with the principal committee. If the officeholder has not designated a principal campaign committee the officeholder's office accounts will file reports directly with the Commission.

§113.6 Excess Campaign Funds.

If, after a campaign and after meeting all debts and other obligations, a principal campaign committee has funds left over, the excess can be given to charity, to an office account, a franking account or for any other lawful purpose. For example, if a successful

candidate for the House of Representatives raises \$100,000 in contributions for the general election and expends only \$60,000, he or she has \$40,000 in excess campaign funds. This member-elect of Congress has until December 31 to expend the \$40,000 surplus. Only \$10,000 can be expended out of an office account during this period because of the \$70,000 expenditure limit imposed by 18 U.S.C. §608. However, the remaining \$30,000 can be expended by a franking account without affecting the \$70,000 limitation. More than \$10,000 can be put in the office account. However, no more than \$10,000 can be expended before December 31 of the election year. Expenditures by the office account in January of the next year will count toward the member's limit for the next election, either a special election or a primary election.



JUSTIFICATION OF PART 113 - OFFICE ACCOUNTS AND FRANKING  
ACCOUNT: EXCESS CAMPAIGN CONTRIBUTIONS

This statement will provide justification for the proposed office account regulation on a section-by-section basis.

§113.2 Contribution and Expenditure Limitations and Prohibitions.

Contributions to and expenditures by an office account are treated as political contributions and expenditures subject to the limitations and prohibitions on such transactions. There are two exceptions: Matter sent under the frank and monies appropriated by Congress to fulfill the functions of a Member of Congress.

The Commission, pursuant to its duty to formulate general policy with respect to the administration of the Federal Election Campaign Act, as amended (the Act) [See 2 U.S.C. §437d(a)(9)], and to its authority under 2 U.S.C. §437d(d)(8), has determined that expenditures and contributions over and above the two exceptions should be treated as political in nature. This determination is based on recent legislation concerning the frank and the tax treatment of newsletter accounts.

Congress has determined that the cost of preparing and printing frankable matter should not be considered a contribution or an expenditure for the purpose of determining any limitation on expenditures or contributions. 39 U.S.C. §3210(f). The Commission has followed this precedent in



its treatment of frankable matter. Congressman Frenzel, in supporting the Federal Election Campaign Act Amendments of 1974, stated:

Questions have been raised as to whether or not congressional newsletters and other similar publications would be considered expenditures under the provisions of this bill. The congressional franking law passed last spring clearly states that such newsletters and other similar publications are legitimate expenses and can be sent under the frank. In general, I believe the Commission should follow the following guideline: If any item or publication can be sent under the frank, it should not be counted as an expenditure for the purpose of influencing an election. Hence, congressional newsletters and other similar publications need not be credited to the contribution or expenditures limits of congressional candidates.

120 Cong. Rec.  
H 10333 (Daily Ed., October 10, 1974)

It logically follows at the very least that a newsletter and other matter not sent under the frank should be considered political and therefore funds contributed and expended to support such newsletters and other matter should be subject to the limitations of 18 U.S.C. §608(c).

Several other laws deal with franked matter which suggest its use should be non-political. See 39 U.S.C. §3210(a)(5)(C). For example, no franked mass mailings are permitted less than 28 days before an election. Activities such as soliciting contributions and mass mailings within four weeks of an



election are clearly political and funds used for these purposes should clearly be treated as expenditures and contributions subject to all limitations in the Federal Election Campaign Act.

Recent tax legislation reflects the intimate relationship between newsletter funds and campaign funds. The conference report to the Upholstery Regulator Act states: "Generally newsletter committees (and separate funds are to be treated for tax purposes in the same manner as political campaign committees." H. Rept. 93-1642, 93d Cong., 2nd Sess. 22. During the debate on this legislation, several Members further noted the similarity between these two types of funds:

MR. SCHNEEBELI. Another change of importance would make individual contributions to candidates for public office which are used for newsletters to be eligible for the above-mentioned income tax credit for deductions.

Mr. ULLMAN. Mr. Speaker these provisions place in the law the procedures outlining how we can use funds we have collected for political purposes, for newsletter purposes. We think this avoids the necessity for having a separate newsletter fund for Members who have a continuing campaign fund (emphasis added). (Congressional Record, daily edition December 20, 1974, page H12597.)

This exchange and the quoted report seem to the Commission to be a statement of Congressional awareness of the political and campaign nature of some newsletters.

The Upholstery Regulator Act permits individual taxpayers to take a tax deduction or a tax credit for money



given to a newsletter account. 26 U.S.C. §§41 and 218. These sections of the Internal Revenue Code treat newsletter fund contributions and political contributions in the same manner; lumping the two together to allow an aggregate tax deduction or credit. Following this precedent, the Commission will treat funds contributed to support a non-frankable newsletter as a political contribution and expenditures made in connection with such newsletter as an expenditure subject to the limitations of the Act.

The Commission is of the opinion, however, that Congressional appropriations for staff salaries, newsletters, stationery and travel are for presumptively non-political, legislative activities and, therefore, not subject to the limitations and prohibitions of the Act. One may assume that Congress has provided or will provide sufficient funds for the non-political functions of the Membership. Accordingly, additional monies not appropriated by Congress but rather raised independently by the Members themselves or their supporters should be viewed as political and not legislative funds. Congress is, of course, always free to appropriate any additional funds deemed necessary to enable Members to carry out their legislative functions. Indeed, the point was recently emphasized by the Honorable Wayne L. Hays, when he indicated that such additional money should come from



the public treasury and not from contributions to Members<sup>1</sup> or from the Members' own pocket.

§113.3 Deposits of Funds into Office and Franking Accounts.

This section was drafted to implement 2 U.S.C. 439a. The provision of separate accounts facilitates reporting so that different accounts are not commingled. Members of Congress will have the option of using a principal campaign committee or an office account to make certain expenditures, such as for a non-frankable newsletter or questionnaire.

§113.4 Reports of Franking Accounts and

§113.5 Reports of Office Accounts

2 U.S.C. 439a provides that contributions to a federal officeholder for the purpose of supporting his or her activities as an officeholder and expenditures thereof "shall be fully disclosed in accordance with rules promulgated by the Commission." The Commission determined that office accounts, since they are treated for most purposes as political (See Section 113.2, supra), should file in the same manner and at the same time as political committees. Franking accounts are required to file less often, twice a year, so as not to



---

1. "Bearing the Costs of Government" by the Honorable wayne L. Hays, Washington Post at A14 (July 19, 1975).



be unduly burdensome to legislators. The times for filing were established so that the franking account reports would be available for public inspection prior to the general elections.

§113.6 Excess Campaign Funds

This section has been proposed pursuant to the Commission's rulemaking authority under 2 U.S.C. 439a.



Federal  
Elections  
Commission

THE WHITE HOUSE  
WASHINGTON

Barry:

If these are <sup>proposed</sup> rules  
to take effect  
pursuant to Title 5, c. 5  
of USC (Election law  
§ 437d) how do we  
react to get them  
changed before they  
become final?

P



THE WHITE HOUSE  
WASHINGTON

Date 8/1/75

TO: Phil Buchen

FROM: Barry Roth *BR*

For your information.



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

1325 K Street, N. W.  
Washington, D. C. 20463  
202-382-5162

July 30, 1975

Honorable James O. Eastland  
President Pro Tempore  
United States Senate  
Washington, D. C. 20510

Dear Mr. President:

In accordance with Section 316(c) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 438c, the Federal Election Commission transmits herewith a proposed regulation pertaining to accounts used to support the activities of Federal officeholders.

The proposed regulation serves several purposes, all related to the Commission's mandate to secure compliance with the disclosure and contribution and expenditure limitations of the 1971 Act as amended. It requires the establishment of a system of accounts which differentiates between funds spent under 39 U.S.C. Section 3210, relating to the use of the frank, and funds otherwise contributed or expended to support the activities of Federal officeholders, other than appropriated funds. It requires full disclosure of contributions to and expenditures from each account. It affirms the applicability of the limitations of 18 U.S.C. Sections 608, 610, 611, 613, 614 and 615, to contributions and expenditures of funds supporting the activities of Federal officeholders, save for funds designated for use and used under 39 U.S.C. Section 3210, and funds appropriated by the Congress for legislative activities. The regulation also partially qualifies the uses to which excess campaign funds may be put.

A unanimous Commission believes that the proposed regulation represents both a fair and a necessary effort to fulfill the Commission's obligation to cause the fullest possible disclosure of election-related contributions and expenditures, and to assure observance of the limitations on contributions and expenditures which are at the heart of the 1971 Act, as amended.

The Commission includes with this letter three attachments. Attachment 1 is the text of the proposed regulation, and Attachments 2 and 3 are, respectively, the explanation and justification of the proposed regulation, as required by the Act.

Sincerely yours,

*Thomas B. Curtis*

Thomas B. Curtis  
Chairman



TBC:me  
Attachments

PART 113 - OFFICE ACCOUNTS AND FRANKING ACCOUNTS; EXCESS CAMPAIGN

CONTRIBUTIONS

§ 113.1 Definitions.

§ 113.2 Contribution and Expenditure Limitations and Prohibitions.

§ 113.3 Deposits of Funds into Office and Franking Accounts.

§ 113.4 Reports of Franking Accounts.

§ 113.5 Reports of Office Accounts.

§ 113.6 Excess Campaign Funds.

§ 113.1 Definitions.

(a) Commission. "Commission" means the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, (202) 382-5162.

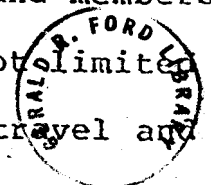
(b) Excess campaign funds. "Excess campaign funds" means the surplus of campaign receipts, including all contributions, sales and income, over campaign expenditures.

(c) Franking account. "Franking account" means an account which is used exclusively for the purpose of receiving and expending funds pursuant to 39 U.S.C. §3210. Such funds may not be transferred to any other account or political committee.

(d) Office account. "Office account" means an account other than a franking account which is used for the purpose of supporting the activities of a federal officeholder.

(e) Principal campaign committee. "Principal campaign committee" means the political committee designated by a candidate as his or her principal campaign committee pursuant to 2 U.S.C. §432(f)(1).

(f) Legislative activities. "Legislative activities" means those activities which are paid for solely out of appropriations approved by either or both houses of Congress, for use by members and members-elect of Congress. Such appropriations include but are not limited to those for salaries, constituent services, stationery, travel and general office expenses.



§ 113.2 Contribution and Expenditure Limitations and Prohibitions.

(a) All funds including but not limited to gifts, loans, advances, credits or deposits of money or any other thing of value which are received or expended by an incumbent or elected holder of a federal office for the purpose of supporting his or her activities as a holder of such office shall be considered contributions or expenditures subject to the limitations of 18 U.S.C. §§ 608, 610, 611, 613, 614 and 615.

(b) Notwithstanding subsection (a) of this section the limitations of 18 U.S.C. § 608 do not apply (1) when a contributor states in writing that the contribution is to be used exclusively for expenditures made pursuant to 39 U.S.C. §3210, provided that such contributions shall be deposited in a franking account, or (2) when expenditures are made from funds provided for legislative activities.

§ 113.3 Deposits of Funds into Office and Franking Accounts.

Except for funds appropriated for legislative activities, all funds received by or on behalf of a federal officeholder for the purpose of supporting his or her activities as a holder of such office shall be deposited into one of the following accounts:

- (a) an account of the officeholder's principal campaign committee, pursuant to 2 U.S.C. §437b, or
- (b) a franking account, or
- (c) an office account, pursuant to 2 U.S.C. §437b.

§113.4 Reports of Franking Accounts.

(a) All individuals having franking accounts shall file reports with the Commission on April 10 and October 10 of each year.



made from October 1 of the prior year to March 31 of each year.

The October 10 report shall include all receipts and expenditures made from April 1 to September 30 of each year. These reporting obligations shall be effective prospectively on the effective date of this regulation (designated Part 113).

(c) Such reports shall include the name, address, occupation and principal place of business of all persons making contributions aggregating in excess of \$100 during the reporting period. Such reports shall include the name and address of all persons receiving expenditures aggregating more than \$100 during the reporting period.

(d) Forms will be provided by the Commission to implement this section.

#### §113.5 Reports of Office Accounts.

(a) All individuals having office accounts shall report as if such account is a political committee, and on forms provided for that purpose, pursuant to, 2 U.S.C. §434.

(b) If the officeholder, former officeholder, or candidate has designated a principal campaign committee such individual shall file the reports required by this section with such principal campaign committee.

(c) If the officeholder, former officeholder, or candidate has not designated a principal campaign committee such individual shall file the reports required by this section with the Commission.

#### § 113.6 Excess Campaign Funds.

(a) A principal campaign committee may transfer excess campaign funds to an office account, a franking account, an organization



described in 26 U.S.C. §170(c), or for any other lawful purpose.

(b) Excess campaign funds expended on or before December 31 in an election year will be considered expenditures for the last election of that year. Excess campaign funds not expended or transferred by December 31 of an election year will be considered expenditures for the next election when they are expended or transferred. Except for transfers to a franking account, such expenditures, whether made before or after December 31 of an election year, are subject to the expenditure limitations of 18 U.S.C. 608(c).





EXPLANATION OF PART 113 - OFFICE ACCOUNTS AND FRANKING  
ACCOUNT; EXCESS CAMPAIGN CONTRIBUTIONS

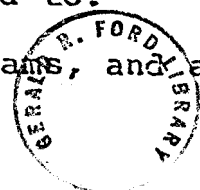
The following explanation of part 113 will follow the proposed regulation section by section, omitting only those sections which are self-explanatory.

§113.1 Definitions.

(b) Excess campaign funds. The terms "contribution" and "expenditure" are defined in the Federal Election Campaign Act, 2 U.S.C. §431 et seq. The Commission, in regulations which are to follow this regulation, will further define these two terms. The term "expenditures" includes, for the purposes of this regulation, goods or services ordered or received but not yet paid for. The term "receipts" includes all money or other things of value actually received. For example, if a principal campaign committee orders and receives \$10,000 worth of bumper stickers but does not pay for them, the \$10,000 nonetheless counts as an expenditure. A pledge to make a \$1,000 contribution does not count for excess campaign funds purposes until actual receipt of the monies pledged. In other words, excess campaign funds are the total assets of a campaign less debts and other commitments.

(c) Franking account. A franking account can be used for all uses enumerated in 39 U.S.C. §3210 including, but not limited to:

(1) mail matter regarding governmental programs, and actions of a past or current Congress,



- (2) newsletters,
- (3) press releases,
- (4) questionnaires.

Personal and political letters can not be sent under the frank. Mass mailings can not be sent under the frank less than 28 days before an election.

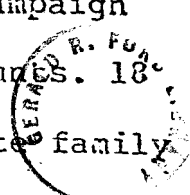
Expenditures can be made from a franking account for the preparation and printing of materials sent under the frank.

(d) Office account. Examples of expenditures which would be made from an office account are travel expenses, expenditures for printing non-frankable matter (e.g., newsletters and questionnaires sent less than 28 days before an election) and telephone expenses over and above Congressional allowances.

(f) Legislative activities. Activities paid for by donations, over and above Congressional allowances, are deemed not to be legislative activities.

### §113.2 Contribution and Expenditure Limitations and Prohibitions.

All contributions and expenditures from an office account are treated as political contributions and expenditures. A person can therefore make only a \$1,000 contribution per election to either a candidate's office account or to his or her principal campaign committee, or can split the \$1,000 between the two accounts. U.S.C. §608(b). Similarly, a candidate and his immediate family can personally spend only \$25,000, if a Member of the House of



Representatives, or \$35,000 if a Senator, for office expenses and campaign expenditures combined. 18 U.S.C. §608(a).

The above contribution and expenditure limitations do not apply to contributions "earmarked" for a franking account or expended by such an account. However, contributions to a franking account from corporate and union treasuries are prohibited (18 U.S.C. §610), as are contributions by government contractors (18 U.S.C. §611), contributions by foreign nationals (18 U.S.C. §613), contributions in the name of another (18 U.S.C. §614) and cash contributions of more than \$100 (18 U.S.C. §615).

### §113.3 Deposits of Funds into Office and Franking Accounts.

This section provides for the deposit of funds into three segregated accounts: 1) principal campaign committee, 2) office, and 3) franking. An officeholder is not required to set up any of these accounts if he or she does not receive contributions or make expenditures over and above Congressional allowances for legislative activities. Further, even if an officeholder receives contributions to support his or her activities as a holder of such office, the officeholder need not establish a principal campaign committee. An officeholder, not wishing to establish a campaign organization, can set up an office account and not designate a principal campaign committee.

Office accounts, inasmuch as they are treated as political committees, must designate depository pursuant to 2 U.S.C. §497(b).



§113.4 Reports of Franking Accounts.

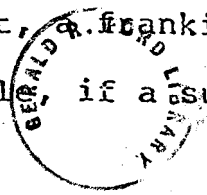
Franking accounts are required to file two six month reports per year with the Commission on April 10 and October 10. These reports will include the same type of information that is required on reports of political committees. The October 10 report will include expenditures for mass mailings made prior to the general election, since a franking account can not be used for such mailings 28 days before an election.

§113.5 Reports of Office Accounts.

Office accounts are required to file quarterly reports of receipts and expenditures in the same manner as political committees. If the officeholder has designated a principal campaign committee the office account will file reports with the principal committee. If the officeholder has not designated a principal campaign committee the officeholder's office accounts will file reports directly with the Commission.

§113.6 Excess Campaign Funds.

If, after a campaign and after meeting all debts and other obligations, a principal campaign committee has funds left over, the excess can be given to charity, to an office account, a franking account or for any other lawful purpose. For example, if a successful



candidate for the House of Representatives raises \$100,000 in contributions for the general election and expends only \$60,000, he or she has \$40,000 in excess campaign funds. This member-elect of Congress has until December 31 to expend the \$40,000 surplus. Only \$10,000 can be expended out of an office account during this period because of the \$70,000 expenditure limit imposed by 18 U.S.C. §608. However, the remaining \$30,000 can be expended by a franking account without affecting the \$70,000 limitation. More than \$10,000 can be put in the office account. However, no more than \$10,000 can be expended before December 31 of the election year. Expenditures by the office account in January of the next year will count toward the member's limit for the next election, either a special election or a primary election.



JUSTIFICATION OF PART 113 - OFFICE ACCOUNTS AND FRANKING  
ACCOUNT: EXCESS CAMPAIGN CONTRIBUTIONS

This statement will provide justification for the proposed office account regulation on a section-by-section basis.

§113.2 Contribution and Expenditure Limitations and Prohibitions.

Contributions to and expenditures by an office account are treated as political contributions and expenditures subject to the limitations and prohibitions on such transactions. There are two exceptions: Matter sent under the frank and monies appropriated by Congress to fulfill the functions of a Member of Congress.

The Commission, pursuant to its duty to formulate general policy with respect to the administration of the Federal Election Campaign Act, as amended (the Act) [See 2 U.S.C. §437d(a)(9)], and to its authority under 2 U.S.C. §437d(d)(8), has determined that expenditures and contributions over and above the two exceptions should be treated as political in nature. This determination is based on recent legislation concerning the frank and the tax treatment of newsletter accounts.

Congress has determined that the cost of preparing and printing frankable matter should not be considered a contribution or an expenditure for the purpose of determining any limitation on expenditures or contributions. 39 U.S.C. §3210(f). The Commission has followed this precedent in

its treatment of frankable matter. Congressman Frenzel, in supporting the Federal Election Campaign Act Amendments of 1974, stated:

Questions have been raised as to whether or not congressional newsletters and other similar publications would be considered expenditures under the provisions of this bill. The congressional franking law passed last spring clearly states that such newsletters and other similar publications are legitimate expenses and can be sent under the frank. In general, I believe the Commission should follow the following guideline: If any item or publication can be sent under the frank, it should not be counted as an expenditure for the purpose of influencing an election. Hence, congressional newsletters and other similar publications need not be credited to the contribution or expenditures limits of congressional candidates.

120 Cong. Rec.  
H 10333 (Daily Ed., October 10, 1974)

It logically follows at the very least that a newsletter and other matter not sent under the frank should be considered political and therefore funds contributed and expended to support such newsletters and other matter should be subject to the limitations of 18 U.S.C. §608(c).

Several other laws deal with franked matter which suggest its use should be non-political. See 39 U.S.C. §3210(a)(5)(C). For example, no franked mass mailings are permitted less than 28 days before an election. Activities such as soliciting contributions and mass mailings within four weeks of an

election are clearly political and funds used for these purposes should clearly be treated as expenditures and contributions subject to all limitations in the Federal Election Campaign Act.

Recent tax legislation reflects the intimate relationship between newsletter funds and campaign funds. The conference report to the Upholstery Regulator Act states: "Generally newsletter committees (and separate funds are to be treated for tax purposes in the same manner as political campaign committees." H. Rept. 93-1642, 93d Cong., 2nd Sess. 22.

During the debate on this legislation, several Members further noted the similarity between these two types of funds:

MR. SCHNEEBELI. Another change of importance would make individual contributions to candidates for public office which are used for newsletters to be eligible for the above-mentioned income tax credit for deductions.

Mr. ULLMAN. Mr. Speaker these provisions place in the law the procedures outlining how we can use funds we have collected for political purposes, for newsletter purposes. We think this avoids the necessity for having a separate newsletter fund for Members who have a continuing campaign fund (emphasis added). (Congressional Record, daily edition December 20, 1974, page H12597.)

This exchange and the quoted report seem to the Commission to be a statement of Congressional awareness of the political and campaign nature of some newsletters.

The Upholstery Regulator Act permits individual taxpayers to take a tax deduction or a tax credit for money



given to a newsletter account. 26 U.S.C. §§41 and 218. These sections of the Internal Revenue Code treat newsletter fund contributions and political contributions in the same manner; lumping the two together to allow an aggregate tax deduction or credit. Following this precedent, the Commission will treat funds contributed to support a non-frankable newsletter as a political contribution and expenditures made in connection with such newsletter as an expenditure subject to the limitations of the Act.

The Commission is of the opinion, however, that Congressional appropriations for staff salaries, newsletters, stationery and travel are for presumptively non-political, legislative activities and, therefore, not subject to the limitations and prohibitions of the Act. One may assume that Congress has provided or will provide sufficient funds for the non-political functions of the Membership. Accordingly, additional monies not appropriated by Congress but rather raised independently by the Members themselves or their supporters should be viewed as political and not legislative funds. Congress is, of course, always free to appropriate any additional funds deemed necessary to enable Members to carry out their legislative functions. Indeed, the point was recently emphasized by the Honorable Wayne L. Hays, when he indicated that such additional money should come from



the public treasury and not from contributions to Members<sup>1</sup> or from the Members' own pocket.

§113.3 Deposits of Funds into Office and Franking Accounts

This section was drafted to implement 2 U.S.C. 439a. The provision of separate accounts facilitates reporting so that different accounts are not commingled. Members of Congress will have the option of using a principal campaign committee or an office account to make certain expenditures, such as for a non-frankable newsletter or questionnaire.

§113.4 Reports of Franking Accounts and

§113.5 Reports of Office Accounts

2 U.S.C. 439a provides that contributions to a federal officeholder for the purpose of supporting his or her activities as an officeholder and expenditures thereof "shall be fully disclosed in accordance with rules promulgated by the Commission." The Commission determined that office accounts, since they are treated for most purposes as political (See Section 113.2, supra), should file in the same manner and at the same time as political committees. Franking accounts are required to file less often, twice a year, so as not to



---

1. "Bearing the Costs of Government" by the Honorable Wayne L. Hays, Washington Post at A14 (July 19, 1975).

be unduly burdensome to legislators. The times for filing were established so that the franking account reports would be available for public inspection prior to the general elections.

§113.6 Excess Campaign Funds

This section has been proposed pursuant to the Commission's rulemaking authority under 2 U.S.C. 439a.

Response  
to Federal  
Elections  
Commission

HOLDING

Original  
ltr to  
Curtis



due: 8/6  
10:26

THE WHITE HOUSE  
WASHINGTON

August 5, 1975

MEMORANDUM FOR: DON RUMSFELD  
JACK MARSH ✓  
JIM CONNOR

FROM: PHIL BUCHEN *P.W.B.*

SUBJECT: Response to FEC

I would appreciate your comments or suggestions with respect to the attached response to the Federal Elections Commission by 10 a. m., August 6.

Thank you.

Attachment

*Phil -  
I believe both Cheney  
and Nessen should review  
this because of their relation  
to "travel accounts". I approve  
the draft. You might  
add the travel account  
is a provision & one.*



THE WHITE HOUSE

WASHINGTON

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office does maintain a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

*which it has done for some years.*

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangements for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses. While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.



It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the heads of their political parties. The Republican National Committee has made such expenditures during the present Administration. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission in the Committee's quarterly reports and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 10, 1975

Philip W. Buchen, Esq.  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Buchen:

The Federal Election Commission is currently conducting a review of 2 U.S.C. §439(a) of the Federal Election Campaign Act, as amended, concerning what is frequently referred to as an "office account" or "newsletter fund".

As we are now drafting the necessary regulations, it would be most helpful if your office would inform the Commission as to whether President Ford maintains an account of this nature. Certainly any input from your office in this area as to past, present, and future procedure would be appreciated.

If we can be of any service, please contact us.

Thank you for your assistance.

Sincerely,



Thomas B. Curtis  
Chairman

TBC:nkb





THE WHITE HOUSE  
WASHINGTON

August 5, 1975

MEMORANDUM FOR: DON RUMSFELD  
JACK MARSH  
JIM CONNOR ✓

FROM: PHIL BUCHEN *P.W.B.*

SUBJECT: Response to FEC

I would appreciate your comments or suggestions with respect to the attached response to the Federal Elections Commission by 10 a.m., August 6.

Thank you.

Attachment

*no objection  
J.E. Connor  
8/6/75*



THE WHITE HOUSE

WASHINGTON

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office does maintain a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangements for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses. While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.



It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the heads of their political parties. The Republican National Committee has made such expenditures during the present Administration. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission in the Committee's quarterly reports and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 10, 1975

Philip W. Buchen, Esq.  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Buchen:

The Federal Election Commission is currently conducting a review of 2 U.S.C. §439(a) of the Federal Election Campaign Act, as amended, concerning what is frequently referred to as an "office account" or "newsletter fund".

As we are now drafting the necessary regulations, it would be most helpful if your office would inform the Commission as to whether President Ford maintains an account of this nature. Certainly any input from your office in this area as to past, present, and future procedure would be appreciated.

If we can be of any service, please contact us.

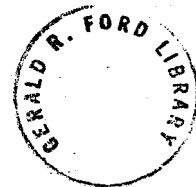
Thank you for your assistance.

Sincerely,



Thomas B. Curtis  
Chairman

TBC:nkb



THE WHITE HOUSE

WASHINGTON

August 5, 1975

MEMORANDUM FOR: DON RUMSFELD  
JACK MARSH  
JIM CONNOR

FROM: PHIL BUCHEN

*P.W.B.*

SUBJECT: Response to FEC

I would appreciate your comments or suggestions with respect to the attached response to the Federal Elections Commission by 10 a. m., August 6.

Thank you.

Attachment



THE WHITE HOUSE

WASHINGTON

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office does maintain a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangements for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses. While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.



It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the heads of their political parties. The Republican National Committee has made such expenditures during the present Administration. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission in the Committee's quarterly reports and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D.C. 20463



THE WHITE HOUSE  
WASHINGTON

*Federal  
Elections  
Commission*

August 5, 1975

MEMORANDUM FOR: DON RUMSFELD  
JACK MARSH  
JIM CONNOR

FROM: PHIL BUCHEN *P.W.B.*

SUBJECT: Response to FEC

I would appreciate your comments or suggestions with respect to the attached response to the Federal Elections Commission by 10 a.m., August 6.

Thank you.

Attachment





THE WHITE HOUSE

WASHINGTON

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office does maintain a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangements for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses. While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.



It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the heads of their political parties. The Republican National Committee has made such expenditures during the present Administration. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission in the Committee's quarterly reports and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 10, 1975

Philip W. Buchen, Esq.  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Buchen:

The Federal Election Commission is currently conducting a review of 2 U.S.C. §439(a) of the Federal Election Campaign Act, as amended, concerning what is frequently referred to as an "office account" or "newsletter fund".

As we are now drafting the necessary regulations, it would be most helpful if your office would inform the Commission as to whether President Ford maintains an account of this nature. Certainly any input from your office in this area as to past, present, and future procedure would be appreciated.

If we can be of any service, please contact us.

Thank you for your assistance.

Sincerely,



Thomas B. Curtis  
Chairman

TBC:nkb



THE WHITE HOUSE

WASHINGTON

August 7, 1975

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office has traditionally maintained a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangement for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses.



While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.

It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

*Philip W. Buchen*

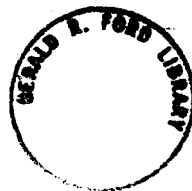
Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463

CC: Cramer, Haber & Becker

bcc: Don Rumsfeld  
Dick Cheney  
Jim Connor  
John Marsh  
Robert Hartmann  
Ron Nessen  
Peter Wallison

PWB:Barry Roth



THE WHITE HOUSE

WASHINGTON

August 7, 1975

*J. Edgar Hoover*  
*Director*  
*Comm. on Int. Security*

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office has traditionally maintained a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangement for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses.



While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.

It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

*Philip W. Buchen*

Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463

CC: Cramer, Haber & Becker

bcc: Don Rumsfeld  
Dick Cheney  
Jim Connor  
John Marsh  
Robert Hartmann  
Ron Nessen  
Peter Wallison  
PWB:Barry Roth



Cys without  
distribution





THE WHITE HOUSE

WASHINGTON

August 7, 1975

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office has traditionally maintained a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangement for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses.

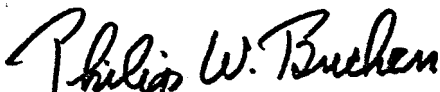


While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.

It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,



Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463

CC: Cramer, Haber & Becker



THE WHITE HOUSE

WASHINGTON

August 7, 1975

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office has traditionally maintained a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangement for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses.

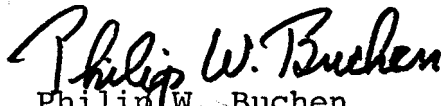


While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.

It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

  
Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463

CC: Cramer, Haber & Becker



THE WHITE HOUSE

WASHINGTON

August 7, 1975

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office has traditionally maintained a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangement for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses.



While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.

It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,



Philip W. Buchen  
Counsel to the President

Mr. Thomas B. Curtis  
Chairman  
Federal Election Commission  
Washington, D. C. 20463

CC: Cramer, Haber & Becker



**CRAMER, HABER & BECKER**

WILLIAM C. CRAMER  
RICHARD M. HABER  
BENTON L. BECKER  
EDMUND FENDLETON  
ANTHONY J. McMAHON  
ARTHUR R. AMDUR  
MICHAEL A. MILWEE

ATTORNEYS AT LAW  
475 L'ENFANT PLAZA, S. W.  
SUITE 4100  
WASHINGTON, D. C. 20024  
(202) 554-1100  
TELEX ITT 440048

CRAMER & MATTHEWS  
ONE BISCAYNE TOWER, SUITE 2020  
TWO BISCAYNE BOULEVARD, SOUTH  
MIAMI, FLORIDA 33132  
(305) 558-0980  
BRADHAM, LYLE, SKIPPER & CRAMER  
699 FIRST AVENUE NORTH  
ST. PETERSBURG, FLORIDA 33701  
(813) 895-1991

OF COUNSEL

CHARLES W. SANDMAN, JR.  
F. LAWRENCE MATTHEWS  
KENNETH MICHAEL ROBINSON

August 15, 1975

Honorable Thomas B. Curtis, Chairman  
The Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20005

Dear Chairman Curtis:

On August 7, 1975, Philip W. Buchen, Counsel to the President, wrote your office in response to its letter of July 10, 1975, which raised certain inquiries relative to a White House office account, newsletter fund, and similar accounts within the purview of 2 U.S.C. 439a. Mr. Buchen's communication made reference to expenditures paid by the Republican National Committee in furtherance of Party goals for activities performed by the President and Vice President as titular head of their political party.

Mr. Buchen stated:

"It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond



Honorable Thomas B. Curtis

Page 2

August 15, 1975

to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further."

This is to advise that the Republican National Committee is currently undertaking the draftsmanship of a communication to the Federal Election Commission which documents would purport to disclose the history and purpose of the expenditures referred to in Mr. Buchen's correspondence, offer a rationale for same and generally acquaint the FEC with the need to recognize the concept that major parties payments for on-going party expenses in both election and non-election years are not chargeable to any Federal candidate.

It is anticipated that this project will be completed and transmitted to your office no later than September 12, 1975. In the interim, should you have any questions or inquiry regarding this matter, do not hesitate to call upon me.

Sincerely,

*Benton L. Becker/dsl*  
BENTON L. BECKER for the  
Republican National Committee

BLB:dsl





FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 25, 1975

Mr. Philip W. Buchen  
Counsel to the President  
The White House  
Washington, D. C. 20500

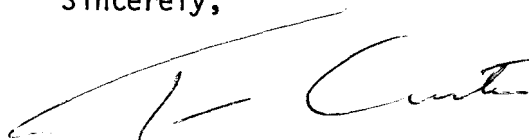
Dear Mr. Buchen:

Thank you so very much for responding to my letter inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

On behalf of the Commission, I am grateful for your cooperation.

With best wishes,

Sincerely,



Thomas B. Curtis  
Chairman

TBC/cmk



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 25, 1975

*Federal  
Elections  
Comm*

Mr. Philip W. Buchen  
Counsel to the President  
The White House  
Washington, D. C. 20500

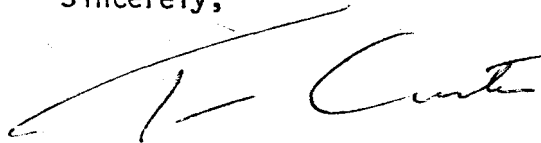
Dear Mr. Buchen:

Thank you so very much for responding to my letter inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

On behalf of the Commission, I am grateful for your cooperation.

With best wishes,

Sincerely,



Thomas B. Curtis  
Chairman

TBC/cmK

