



California Fair Political Practices Commission

August 19, 1986

Joseph Remcho
Remcho, Johansen & Purcell
220 Montgomery St., Ste. 800
San Francisco, CA 94104

Re: Your Request for Advice
Our File No. A-86-223

Dear Mr. Remcho:

This is in response to your letter of July 2, 1986, regarding the campaign disclosure provisions of the Political Reform Act (Government Code Sections 81000-91015).

QUESTIONS

You have asked whether your client, Republic Media Group, was required to file campaign disclosure statements when it listed non-paying candidates and ballot measures in a slate mailer produced by Republic prior to the June primary election. You have also asked whether Republic is required to provide a list of its subvendors to those candidates and committees which did purchase space on the mailer.

ANSWERS

As we discussed during our telephone conversation on August 1, 1986, Republic Media Group was formed for the sole purpose of producing a slate mailer in connection with the June primary election. Republic sold space on the mailer to various candidates and committees. Non-paying candidates and ballot measures were also included in the mailer, but were not included as a result of any prior arrangement with the non-paying candidates and committees.

In most cases, non-paying candidates and ballot measures are included in a slate mailer for the benefit of the paying candidates and committees, and not for the benefit of or at the behest of the non-paying candidates and committees. Therefore, costs incurred in connection with listing non-paying candidates and ballot measures in such a slate mailer do not become "contributions" or "independent expenditures" as defined in Government Code Sections 82015 and 82031, respectively, and are not reportable by the publisher or by the affected candidates and committees. You should note, however, that we are considering changing this advice in light of the recent United

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States District Court decision in Federal Election Commission v. Californians for Democratic Representation, Case No. CV85-2086-JMI (January 9, 1986). We will keep you informed of any changes in our advice.

Although my initial advice to you during our telephone conversation of July 1, 1986, was that Republic need not provide paying candidates and committees with a list of its subvendors in connection with the slate mailer, further consideration and discussion of this question with the Legal Division have resulted in a different conclusion. Enclosed is a copy of FPPC regulation 2 Cal. Adm. Code Section 18431 which outlines the types of payments which must be reported in detail by candidates and committees when the payments are made by an agent of the candidate or committee or by an independent contractor. Payments made by Republic Media Group appear to fall into both subsections (a)(2) and (a)(3) of the regulation and, therefore, the candidates and committees which purchased space on the slate mailer are required to provide the names, addresses and amounts paid by Republic to vendors who received \$100 or more in connection with the mailing. We believe that a list showing the name, address and total amount paid by Republic to each subvendor for the costs associated with each paying candidate's or committee's mailing, along with an indication of the number of paying and the number of non-paying candidates and committees which were included in the mailing, would be sufficient to satisfy this reporting requirement.

I apologize for the inconvenience caused by this change, particularly in light of the fact that all of the candidates and committees which purchased space on the mailer will be required to amend their campaign disclosure filings for the period in which they made payments to Republic. You may wish to provide a copy of this letter to the candidates and committees involved which they can attach to their amended statements to explain the initial lack of subvendor information.

Again, I apologize for the inconvenience. Please do not hesitate to contact me at (916) 322-5662 if you have additional questions.

Sincerely,



Carla Wardlow
Political Reform Consultant

CW:cah
Enclosure

REMCHO, JOHANSEN & PURCELL

ATTORNEYS AT LAW

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July 2, 1986

Carla Wardlow
Technical Assistance of Analysis
Fair Political Practices Commission
P.O. Box 807
Sacramento, CA 95814

Dear Carla:

As we discussed, I write to confirm our conversation regarding reporting by Republic Media Group, publishers of a slate mailer in the June 1986 election.

You confirmed my previous understanding that there is no reporting obligation on the part of the publisher, so long as it does not act as a consultant to any of the candidates or committees who use its services and so long as candidates or committees that are listed without charge are not so listed as a result of any prior arrangement with the candidate or committee.

In addition, however, you advised me that the publisher of a slate mailer would not be considered an agent of those candidates or committees who purchase space on the mailer. Because of this you advised me that it is in fact not necessary for Republic Media Group, the publisher, to provide those candidates and committees with a breakdown of subvendors.

Thanks again for your prompt response to my question.

Sincerely,


Joseph Remcho

JR:ki

cc: Jim Corey
Mike Mercier