



California Fair Political Practices Commission

October 3, 1986

Ms. Kay Yu
San Francisco Chamber of Commerce
465 California Street, 9th Floor
San Francisco, CA 94104

RE: Your Request for Advice
Our File No. I-86-258

Dear Ms. Yu:

Your letter of August 5, 1986, addressed to Robert Steele of the Secretary of State's office, has been referred to the Fair Political Practices Commission for response.

QUESTIONS

1. Does the Political Reform Act^{1/} require reporting of a candidate's use of a labor organization's bulk rate permit?
2. Would such a contribution be subject to campaign contribution limitations under the Act?
3. May a bulk rate permit be used to send a political mailer to persons other than the labor organization's own membership?

CONCLUSIONS

1. Use by a candidate of a labor organization's bulk rate permit must be reported as an in-kind contribution.
2. Such a contribution would not be subject to contribution limits under the Political Reform Act.
3. The Commission has no jurisdiction over use of bulk rate permits. Therefore, we cannot provide advice as to whether or not the use described in your letter is permitted.

ANALYSIS

A candidate who uses the bulk rate mail permit of a non-profit organization must report an in-kind contribution. The amount it would have cost the candidate to send the mailing

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated.

Ms. Yu
Page Two

using his or her own mailing facilities is the amount to be reported.

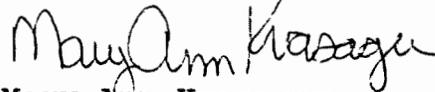
The Political Reform Act does not contain limitations on campaign contributions or expenditures. If you pose the question because the candidate is being voted upon in a city or county that has adopted a campaign ordinance, you should contact the local enforcement officer for an interpretation. The Commission does not have the authority to interpret the limitations contained in a local ordinance.

The Commission has no jurisdiction over the permissible uses of a bulk rate mailing permit. You may want to contact the U.S. Postal Service to determine if the non-profit organization would violate any postal regulations as a result of sending such a mailing to persons other than the organization's own membership.

I hope this information is useful. Please do not hesitate to contact me if you need additional assistance.

Sincerely,

Diane M. Griffiths
General Counsel



By Mary Ann Kvasager
Political Reform Consultant

DMG:MAK:cah



March Fong Eu
Secretary of State

1230 J Street
P.O. Box 1467
Sacramento, California 95807

POLITICAL REFORM DIVISION

(916) 322-4880

AUG 11 10 45 AM '86

August 7, 1986

Kay Yu
San Francisco Chamber of Commerce
465 California Street, 9th Floor
San Francisco, CA 94104

Dear M. Yu:

Thank you for your August 5, 1986 letter concerning special bulk mail rates.

Your letter raised several questions that involve technical interpretations of Political Reform Act reporting requirements. The Fair Political Practices Commission is the proper agency for responding to your questions. Consequently, we have forwarded your letter to the Fair Political Practices Commission for their direct response to you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bob Steele".

Bob Steele
Assistant Chief
Political Reform Division

BS:mw

SAN FRANCISCO
CHAMBER OF COMMERCE

S P P O
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August 5, 1986

Robert Steele
Political Reform Division
1230 J Street
Sacramento, CA 95807

Dear Mr. Steele,

I am requesting clarification on regulations contained in the Domestic Mail Manual, section 623.51 which provides that an organization with special bulk rates may mail only its own matters at that special rate. The list of persons and entities ineligible to mail at special bulk rates includes individuals and political organizations other than those specified in Section 623.3. The only political organizations specifically authorized to mail at that rate are the national and state committees of a political party. Individuals and candidates are specifically prohibited from such use.

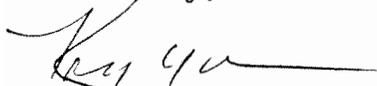
There is, however, a specific exemption for labor organizations authorized by section 623.236 which allows those organizations to mail political material to their own members. We understand that there is a practice by labor organizations to lend their bulk rate permits to political candidates they support. I understand from the post office legal counsel that in so far as a labor organization supports a candidate, that in and of itself is not a violation of the regulation.

My questions therefore are:

- 1) If the advocacy of a particular candidate or issue is permitted using bulk rate, is that difference between bulk and regular rate subject to the Fair Political Practice reporting requirements?
- 2) If it is reportable, is it subject to the campaign contribution limitation even if it is considered inkind?
- 3) Third, my understanding of labor's use of the bulk rate was that it was applicable to a mailing to its members. Is there a violation when the mailing is to individuals other than membership?

I would appreciate your comments on these three questions.

Sincerely,



Kay Yu
Manager, Government Affairs

KY/ka



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