



Federal Election Commission Campaign Guide

Corporations and Labor Organizations

January 2007

C. Solicitations by Trade Associations

In addition to soliciting noncorporate members and its own personnel, a *trade association* may solicit the restricted class of *member corporations* (i.e., their executive and administrative personnel, stockholders and the families of both groups). Solicitation of a corporate member's restricted class is a two-step process. First, the *trade association* obtains the corporate member's written approval for solicitation; second, the association conducts the solicitation.

I. Request for Corporate Approval

Required Information

A *trade association* must make a written request to the *member corporation* for permission to solicit the *member's* restricted class. (The request may be sent to the corporate representative with whom the association normally conducts its activities.)

This request for approval must inform the *member corporation* that:

- Corporate approval is necessary before the *trade association* or its SSF may conduct a solicitation; and
- The *corporation* may not approve solicitations by another *trade association* for the same calendar year. || 4.8(d)(3).

Optional Information

The *trade association* may enclose a copy of proposed solicitation materials in its request for approval. Moreover, the *trade association* may note that it intends to limit the scope of the solicitation (e.g., to just executive and administrative personnel but not stockholders). || 4.8(d)(3) and (5).

Publication in Association's Magazine

A *trade association* may publish in its internal magazine or newsletter a form for obtaining solicitation approval from corporate members. The form must include the required information described above, and the form's wording must be sufficiently specific

so as not to be considered a solicitation for contributions. AOs 1981-41 and 1980-65. (See page 23 for rules about solicitations in internal publications.)

Request Made at Convention

At its convention, annual meeting or similar event, a *trade association* may request solicitation approvals from corporate members and may set up a booth for this purpose. The requests must be in writing (e.g., handout forms), must include the required information and may not contain a solicitation for contributions. The *trade association* may also receive written solicitation approvals at the convention as long as they are signed by persons authorized by the corporations to make such approvals. AOs 1981-41, 1978-83 and 1978-17. (Solicitations conducted at conventions are discussed in Section 4.)

2. Approval by Corporate Member

Written Approval

Before a *trade association* may solicit the restricted class of one of its corporate members, the association must obtain written authorization from the *member corporation*. The *member* must designate the calendar year for which the solicitations are authorized; the authorization automatically expires on December 31 of the designated year.

There is no limit on the number of companies from which a *trade association* can obtain solicitation approvals. In a particular calendar year, however, a *corporation* may authorize only one *trade association* to solicit its restricted class. || 4.8(d).

Approval Extended to Affiliated Nonconnected PAC

Any solicitation approval granted by a corporate member of a *trade association* also covers solicitations from a nonconnected PAC affiliated with the *trade association's* SSF. AO 1996-38.

Approval Using the Internet and the Web

The Commission approved a proposal whereby a *trade association* distributed a "permission to

solicit” form to its members on the Internet and on a members-only web site. The Commission’s conclusion was based on the determination that the “permission to solicit” form did not otherwise constitute a solicitation. AO 2000-10.

Use of Electronic Signatures

In another *advisory opinion*, the Commission advised that a *trade association PAC* could accept corporate members’ electronic signatures as written authorization to solicit the restricted class of their corporate members. The *trade association* could obtain the electronic authorization through e-mail or its web site. In either case, the *trade association* had to verify that:

- The permission-to-solicit forms were available only to authorized corporate representatives; and
- Each electronic signature came from the corporate representative.

Furthermore, a copy of the electronic approval had to be maintained, in a readily available form, for three years. AO 2000-22.

Multiple-Year Approvals

A *member corporation* may grant its approval for several years in advance; however, the company must provide the *trade association* with a separate approval for each year. For example, a *trade association* could ask a *member corporation* to approve solicitations for five consecutive years. The *corporation* would have to submit a signed statement for each year approved; the five statements and signatures could appear on one form or on five separate forms. 114.8(d)(1) and (4); AO 1984-61.

Corporate approval of *trade association* solicitations in no way limits the *corporation’s* right to solicit contributions for its own SSF. 114.8(e)(2).

Content of Approval

Scope

A *corporation’s* authorization may limit the scope of the solicitations to particular members of the restricted class (for example, limit it to stockholders). 114.8(d)(5). Note that trade associations may not solicit persons outside of the *member corporation’s* restricted class.

Frequency

The corporate approval may also limit the number of times solicitations may take place during the

calendar year. Unless otherwise specified in the approval, the *trade association* may conduct unlimited solicitations. 114.8(e)(1).

Records

The *trade association* must retain a copy of the written approval for three years after the year to which the approval applies. 114.8(d)(2).

3. Who May Be Solicited

Parent Corporation

If a parent *corporation* is a *member* of the *trade association* but its subsidiaries are not, then the *trade association* may solicit (with prior approval) the restricted class of only the parent. 114.8(f).

Subsidiary Corporation

Likewise, if a subsidiary *corporation* is a *member* of the *trade association* but the parent is not, then the *trade association* may (with prior approval) solicit the restricted class of the subsidiary only; the parent’s restricted class is not solicitable. 114.8(f).

Nonstock Corporation

A *trade association* may (with prior approval) solicit the individual members of a *member non-stock corporation*, only if the individual members have rights and interests that correspond closely to those of stockholders. AO 2000-4, 1999-16 and 1999-15.

4. Solicitations at Convention

A *trade association’s* convention or annual meeting may be the site of impermissible solicitations if the association inadvertently solicits executive and administrative personnel of corporations that have not given prior solicitation approval. To avoid making inadvertent unlawful solicitations at such conventions or meetings, trade associations should observe the following guidelines, based on several *advisory opinions*.

Permissible Solicitations

A *trade association* may solicit SSF contributions from a booth at a convention, provided that:

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or call us at
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