



## State of New Jersey

### ELECTION LAW ENFORCEMENT COMMISSION

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#### PUBLIC SESSION MINUTES

SEPTEMBER 26, 1990

All of the Commissioners and senior staff were present.

Chairman McNany called the meeting to order and announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-6 et seq., special notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps.

The meeting convened at 1:10 p.m. at the Commission Offices, 28 W. State Street, Trenton, New Jersey.

1. Approval of Public Session Minutes of July 18, 1990

On a motion by Commissioner Bedford, seconded by Commissioner Mayo and passed by a vote of 3-0, the Commission approved the Public Session Minutes of July 18, 1990. Commissioner Linett had not yet arrived at the time of the vote.

Commissioner Linett arrived at 1:14 p.m.

2. Executive Director's Report

A. Ad Hoc Commission on Legislative Ethics and Campaign Finance

Executive Director Herrmann said that, along with Deputy Director Brindle and Legal Director Nagy, he has been working closely with the Ad Hoc Commission on Legislative Ethics and Campaign Finance and attending its working sessions.

The Executive Director reported that Chairman Alan Rosenthal was kind enough to call him and thank ELEC for its assistance. Executive Director Herrmann added that Professor Larry Sabato, an expert in campaign financing, told the Ad Hoc Commission that "ELEC is the most effective State Commission in the country."

Executive Director Herrmann advised the members that the Ad Hoc Commission's preliminary recommendations involved contribution limits,

surplus funds guidelines, PAC registration, a limit of one committee per candidate with all fundraising channeled through that committee, and an increase in fines. The Executive Director noted that in the area of lobbying the Ad Hoc Commission recommended that the word "expressly" be removed from the statute and that lobbying regulations cover legislative staff. Executive Director Herrmann reported that the Ad Hoc Commission will be recommending that ELEC receive more money. He said that although Chairman Rosenthal strongly endorsed ELEC's alternate funding proposal, the Ad Hoc Commission decided that a funding mechanism should be decided by the Legislature.

#### B. Public Information Seminars

Executive Director Herrmann announced that a public information seminar was held at the Commission offices on September 12, 1990. He said that a second seminar is scheduled for September 27, 1990.

#### C. Conferences

Executive Director Herrmann reported that he attended a meeting of the Organizational Planning and Coordinating Committee (OPACC) of the Council of State Governments (CSG) in Denver, Colorado. He said that he is a member of the public sector liaison subcommittee. Executive Director Herrmann added that because he is the Council of Governmental Ethics Laws (COGEL) representative to OPACC, the cost of the conference was assumed by COGEL.

Executive Director Herrmann informed the Commissioners that the COGEL Conference in Anchorage, Alaska, was attended by Commissioner Bedford, Commissioner Mayo, and himself. The Executive Director said that both Commissioners paid for their own trips and that he paid for his own flight. Executive Director Herrmann said that he was the recipient of a reduced air rate because of the Denver flight.

Executive Director Herrmann advised the Commissioners that in Anchorage, he presented the COGEL Update for 1990. He said that the document, which he was instrumental in preparing, will be published by Dr. Herbert E. Alexander of the Citizens' Research Foundation (CRF) on behalf of COGEL later this fall. The Executive Director said that the CRF began publishing the report last year to help give COGEL and itself broader visibility.

Finally, Executive Director Herrmann announced that the 1992 COGEL Conference will be held in Toronto, Canada.

#### D. Speaking Engagements

Executive Director Herrmann reported that on September 24, 1990, he spoke to the League of Women Voters of Monroe Township on Campaign Finance Reform.

Executive Director Herrmann noted also that on August 17, 1990, he taped a 25-second editorial for WWOR-TV on the necessity of adequately funding ELEC. He said that the editorial was aired the week of the COGEL Conference.

Chairman McNany advised Executive Director Herrmann that he was impressed with the quality of the 25-second message. He congratulated the Executive Director for expressing the Commission's point of view so strongly in such a short period of time.

Chairman McNany said also that he would like to congratulate Executive Director Herrmann for what he understands to have been an excellent presentation at the COGEL Conference.

Commissioners Mayo and Bedford concurred and jointly commended the Executive Director on his presentation.

Commissioner Linett said that he believed that Executive Director Herrmann is providing a real service to ELEC by being at the forefront of national issues.

#### E. Prohibited Contributor Meeting

Executive Director Herrmann reported that after consulting with Counsel Farrell, Legal Director Nagy and he met with Alexander P. Waugh, Jr. and William Harla of the Attorney General's staff. He said that the meeting was held for the purpose of devising procedures for referring "prohibited contributor" advisory opinion requests to the Attorney General.

Executive Director Herrmann said that Mr. Waugh and Mr. Harla proposed that ELEC first send previous Attorney General Opinions to the requesting party, ask for a brief of the issues if the requesting entity still desires an official opinion, and then send the request, along with ELEC input, to the Attorney General for an opinion.

Commissioner Bedford asked if the participants discussed the issue of transferring jurisdiction over prohibited contributor matters to ELEC.

Executive Director Herrmann responded that Mr. Waugh suggested that the Attorney General and ELEC await the recommendations of the Ad Hoc Commission before deciding upon a joint legislative strategy.

#### F. New Initiatives

Executive Director Herrmann mentioned that Director of Compliance and Information Evelyn Ford has developed two new initiatives. He said that Director Ford has started a program to target committees for finalizing their reports. Moreover, the Executive Director said, Director Ford has begun a self-coding initiative which would permit candidates to code their own reports. Executive Director Herrmann indicated that if the pilot project is successful, it would be great administrative timesaver.

Commissioner Mayo suggested that beyond self-coding, which he described as an excellent initiative, the Commission should consider providing self-addressed envelopes to filers.

Deputy Director Brindle acknowledged that the idea of introducing self-addressed envelopes into the compliance effort is an excellent one. He suggested, however, that the Commission postpone this undertaking until the budgetary situation improves. Deputy Director Brindle said that the non-salary account has been reduced over the last two fiscal years, leaving no room for initiatives that would result in an increase in printing costs.

#### G. Budget Situation

Executive Director Herrmann thanked Deputy Director Brindle and Coordinator of Administrative Services Barbra Fasanella for the work they did in developing the Commission's FY92 budget documentation. Executive Director Herrmann said that, in a word, the budget situation for FY92 continues to be extremely tight. The Executive Director said that the FY92 budget target is three percent less than the current year's budget. And, to make matters worse, the FY91 budget was slashed by \$100,000. Executive Director Herrmann said, however, that the three percent, or \$34,000, can be taken from the salary or non-salary accounts in FY92. Unlike the current fiscal year, wherein there is no such flexibility, the treasurer has built more flexibility into the FY92 budget.

Executive Director Herrmann pointed out that ELEC has 29 people on staff currently. He said that this number is the same as in FY86. Executive Director Herrmann indicated, however, that the current budget contains no money for overtime or temporary help as it did five years ago. Moreover, he said, the workload of the Commission has increased dramatically.

Executive Director Herrmann reported that the fall personnel situation is bleaker still. He said that two directors will be out on maternity leave (Director of Review and Investigation Judith Chamberlain and Director of Compliance and Information Evelyn Ford). Furthermore, Executive Director Herrmann said that one director position (Director of Administration) is permanently vacant. The Executive Director advised the Commission that a computer person has been hired and will start on October 9, 1990. He noted that this position has been vacant since early July. Executive Director Herrmann said that Deputy Director Brindle interviewed 12 people, four of whom were also interviewed by the Office of Telecommunications and Information Systems (OTIS). He reported that the person recommended by OTIS was the person selected. Executive Director Herrmann outlined the procedure for hiring which involves approvals from the Department of Personnel, Office of Management and Budget, and the Governor's Office. Executive Director Herrmann cautioned that the computer hiree will need time to train and learn the system but that his 20 years' experience should help him to be a quick study.

Executive Director Herrmann mentioned that the Commission's FY92 priority request contained a proposal for an additional \$21,000 in the Commissioner's Per Diem account for 18 meetings and an increase in the Commissioner's compensation from \$250 per meeting to \$500 per meeting. Executive Director Herrmann said also that the Commission was asking for an additional \$128,000 to restore money lost since FY90 to enable it to fill six vacant positions (Director of Administration, Administrative Assistant, report examiner, clerk, secretary, and data entry operator).

H. Evaluation Data for Fiscal Year 1990

Executive Director Herrmann reported that the Commission's record for FY90 was excellent considering the budgetary situation. The Executive Director summarized the evaluation data as follows:

	<u>ACTUAL</u>	<u>TARGET</u>
Investigations	86	100
Complaints	267	550
Public Assistance Requests	12,243	10,400
Photocopying	147,746*	140,000

\*projected number based on 11 months because it was a new statistic.

I. Future Meetings

The Commission determined that it will meet on October 17, 1990, at 10:00 a.m. in Maplewood, New Jersey. The Commission also plans to meet on November 14, 1990, and on December 19, 1990.

Executive Director Herrmann expressed congratulations to Commissioner Linett upon his renomination to the Commission. The other Commissioners and staff also expressed their best wishes.

3. Proposed Procedures for Requesting Attorney General Opinions

Please see memorandum from Frederick M. Herrmann, Executive Director, to the Commissioners, dated September 18, 1990 and entitled Proposed Procedures for Requesting Attorney General Opinions.

The memorandum outlines proposed procedures evolving from a meeting between Commission staff and the Attorney General's staff.

The proposed procedures are:

1. Upon receipt of the advisory opinion request, ELEC will provide copies of prior Attorney General Opinions to the requesting entity so that it may be determined whether or not the question has already been answered.

2. ELEC will request that the requesting entity provide a memorandum of law setting forth all pertinent facts and legal arguments if the requesting entity wishes to proceed.
3. Upon receipt of the memorandum ELEC will forward the inquiry to the Attorney General along with any views it (ELEC) holds in regard to what the outcome should be.

Commissioner Linett indicated that he had two concerns about the above-outlined procedures. Commissioner Linett said that because many inquiries do not come from attorneys, there may be a problem with requiring legal briefs. Secondly, continued the Commissioner, ELEC has no jurisdiction in this area. He suggested that the only reason that matters such as these are brought to the Commission's attention is because the Commission has the word "Election" in its title.

Commissioner Linett added that because of the budget cuts staff remained under enormous pressure. He said, however, that despite this fact the Attorney General is now asking staff to prepare opinions. Commissioner Linett asked rhetorically: Should the Commission be expressing an opinion in an area where it has no authority? Doesn't this procedure place additional burdens on staff?

Commissioner Bedford asked for staff's opinion: Would staff like to see the Commission comment?

Legal Director Nagy said that if the Commission believes it to be appropriate to comment on these issues then staff foresees no problem in undertaking the assignment.

Commissioner Bedford suggested that the procedure would speed up the process of responding to requests for advisory opinions on prohibited contributor matters. He also indicated that he would like to see ELEC obtain statutory jurisdiction over "prohibited contributions."

Counsel Farrell said that he has no quarrel with the notion of legislation to transfer authority over prohibited contributions to ELEC. He said that the issue needs to be studied, however. He added that these type of opinion requests are sent to the Commission because the subject matter relates to the work of the Commission. Moreover, said Counsel Farrell, the Attorney General will respond to requests from the Commission whereas he will not respond to requests from the general public. He said that the expertise is at ELEC and not with the Attorney General, whose staff does not deal with these issues on a daily basis.

Counsel Farrell said that the Attorney General's point is that the Commission's input is welcome. Under these procedures, continued Counsel Farrell, the Commission will be able to provide some service, though limited, where it cannot now do so.

Chairman McNany asked: What about Commissioner Linett's point that all requesting entities will not be able to provide legal briefs?

Counsel Farrell said that a brief is not necessary. He said that the Commission merely needs the facts so that it can intelligently understand the question.

Chairman McNany asked: Can the Commission conceive of a situation whereby staff can get the facts by telephone?

Legal Director Nagy said that background information can be obtained by telephone and formalized in a memorandum which sets forth the facts. He indicated that a formal legal brief would be unnecessary.

Executive Director Herrmann noted that it is important for the Commission to have input into these opinions because, in particular, the decisions have an impact upon gubernatorial public financing.

Commissioner Bedford moved that the procedures for forwarding prohibited contributor advisory opinion requests to the Attorney General be adopted. Commissioner Mayo seconded the motion and on a vote of 4-0, the motion passed.

Commissioner Bedford proposed that the procedure be amended to require a memorandum containing "all pertinent facts" instead of a legal brief. Seconded by Commissioner Linett the amendment passed by a vote of 4-0.

4. Advisory Opinion No. 07-1990

This advisory opinion request was submitted by Sanford Schneider, Esq., on behalf of Mid-Atlantic Independent Power Producers. Originally submitted on July 10, 1990, the details of this request are recounted in the public session minutes of July 18, 1990. The Commission did not decide the matter at that time because Mr. Schneider had not identified the client on whose behalf the request was being made.

Essentially, the Commission considered whether Independent Power Producers are prohibited from making contributions under N.J.S.A. 19:34-45. Further, it considered whether, in the event they are not prohibited from contributing, the permissibility of contributing is extended to those cogeneration operations that are subsidiaries of public utilities in New Jersey.

Staff recommended that the inquiry be forwarded to the Attorney General because the Attorney General has jurisdiction over such issues. Staff recommended also that the Commission express to the Attorney General the opinion that a cogeneration company that has an impact on energy costs in New Jersey be prohibited from making political contributions. Further, staff suggested that the Commission recommend to the Attorney General that if it is ruled that these cogeneration concerns are not subject to the ban on contributions, that this right not be extended to those companies which

are subsidiaries of utility companies operating in New Jersey. In other words, cogeneration operations run by PG&E, for instance, should be subject to the prohibition even though independent companies may not be.

On a motion by Commissioner Linett, seconded by Commissioner Bedford and passed by a vote of 4-0, the Commission adopted the staff's recommendations on the advisory opinion.

Counsel Farrell instructed staff that in referring this matter to the Attorney General, it should be made clear that this opinion applies only to companies doing business in New Jersey.

5. Advisory Opinion No. 08-1990

This advisory opinion request has been submitted by Richard E. Messick, Esq., on behalf of PG&E/Bechtel Generating Company.

The issues arising from this request are:

1. Is PG&E/Bechtel, a partnership comprised of two corporations neither of which do business in New Jersey, prohibited from making political contributions under N.J.S.A. 19:34-45?
2. If allowed to contribute in New Jersey, is PG&E/Bechtel required to file a statement of organization as a continuing political committee in that the partners both have PACs (separate segregated funds) that file with the Federal Election Commission?
3. In a gubernatorial election, can the partners in a partnership each make separate \$1500 contributions, or would the contribution be attributed to the partnership entity itself, limiting the contribution activity to one \$1,500 contribution?

In its analysis, staff indicated that because PG&E/Bechtel does not do business in new Jersey and is therefore not regulated by the State, it does not believe that the matter need be referred to the Attorney General. Staff, however, expressed no opinion as to the applicability of N.J.S.A. 19:34-45 and suggested that it note that it lacks jurisdiction over this issue.

Staff further indicated that it believed that PG&E/Bechtel need not file with the Commission as a CPC. According to staff, if the contribution is made from the company funds then the company would be considered a pure contributor and the contribution would be reported by the candidate or committee receiving the contribution.

Finally, staff advised that Commission regulations require that contributions from a partnership to a gubernatorial campaign are attributed

to the partners and not to the partnership entity. Staff said that in enforcing the regulation each contributing partner is subject to the \$1500 contribution limit.

Commissioner Bedford said that he was working under the assumption that the partnership is not doing business in the State.

Legal Director Nagy answered in the affirmative.

Commissioner Linett suggested that the response to PG&E/Bechtel contain the qualification that the Commission would reexamine the matter if at some future time the company did business in New Jersey.

Legal Director Nagy concurred.

Counsel Farrell said that the advisory opinion posed a most interesting question. He said that in this case the two partners are corporations and not individuals. He said, however, that PG&E/Bechtel, though not a corporation, is a business enterprise. Counsel Farrell said that in his opinion, the Sheridan advisory opinion, which clarified that corporations were pure contributors and not subject to reporting, would apply in this case.

Commissioner Linett said that it should not make a difference that the business enterprise is a partnership comprised of two corporations. He said that the entity should be treated as a corporation and not required to report if the contribution is derived from partnership funds and not from individual PAC funds.

Legal Director Nagy agreed stating that PG&E/Bechtel is a partnership that is not in the business of politics. Rather, it is in the business of cogeneration, he said.

Commissioner Linett asked how the gubernatorial contribution limits would apply.

Legal Director Nagy said that the same regulations that apply to any other partnership would apply to this one. He said that each partner could give up to \$1,500. Legal Director Nagy said that under the gubernatorial financing regulations a contribution from the partnership entity itself would be unacceptable. He said that contributions can only be attributable to each partner.

Commissioner Linett asked if this meant that in a law firm of 100 partners all 100 could make \$1,500 contributions.

Counsel Farrell said that statement was correct. He said that the contribution was attributable to each partner and not to the partnership.

On a motion by Commissioner Mayo, seconded by Commissioner Bedford and passed by a vote of 4-0, the Commission approved the staff recommendation on the advisory opinion request.

6. Advisory Opinion No. 09-1990

This advisory opinion request was submitted by Mr. Matti Prima in behalf of the political action committee "Citizens for a Better New Jersey."

Mr. Prima writes that "Citizens for a Better New Jersey" wants to contract with AT&T for a "900 line" service. The purpose of the "900 line" service would be to register names of people opposed to recent increases in State taxes and to raise funds to further this anti-tax effort.

Mr. Prima's advisory opinion request seeks approval from the Commission for this fundraising effort. It asks whether this fundraising vehicle can be used by the PAC or by Mr. Prima himself as a "citizen politician."

Mr. Prima's request included a copy of an "AT&T Multiquest Family of Services" brochure which counsels political organizations to seek an advisory opinion from the Commission as to legality of the "900 line" service fundraising approach. AT&T is requiring these customers to seek an advisory opinion so that it (AT&T) can be assured that in providing this service it is not making a political contribution. Under New Jersey law, public utilities such as AT&T are prohibited from making political donations.

In his analysis of the question posed by Mr. Prima, Legal Director Nagy outlined several issues arising from the Multiquest service relative to the campaign disclosure law.

These issues are:

1. Will the proceeds realized by "Citizens for a Better New Jersey" be considered contributions, the source of which must be identified in the disclosure reports? Or are these proceeds to be categorized as a "public solicitation" which, pursuant to N.J.S.A. 19:44A-3(j), are subject only to the reporting of an aggregate amount?
2. Assuming this fundraising activity proceeds, can the necessary records be obtained?
3. Who is the contributor? Is it the person making the call, the person who leases the telephone line, or the person who pays the bill?
4. What is the date of the contribution? Is it the day the phone call is made, the day the lessee receives the

bill, the day the charge is paid to the billing agent (N.J. Bell), the day N.J. Bell pays AT&T, or the day that AT&T passes the proceeds to "Citizens?"

5. What should be considered the amount of the contribution? Should it be the total cost of the telephone call, or should the contribution be a proportion of the bill, with federal and State taxes and service charges of N.J. Bell and AT&T excluded?
6. Can the telephone companies in any way be considered contributors, subjecting this fundraising activity to the criminal statute prohibiting contributions from public utilities?
7. Do the recordkeeping and reporting requirements of the Reporting Act apply to Mr. Prima as a citizen politician engaging the multiquest service?

The staff's analysis and recommendations relative to the foregoing questions were as follows:

1. Staff believes that the recordkeeping provisions of the Campaign Act are applicable to this fundraising drive and that records must be maintained of each contributor. It also believes that the identity of the contributor must be disclosed if the contribution is more than \$100. Staff does not believe that this activity can be considered a "public solicitation" because contributions will not be in cash, will not be spontaneously made in person, and may exceed \$20.
2. While the telephone company may be able to provide to "Citizens" the necessary records, staff "is not persuaded" that the "900 line" service will prove adequate to the task of providing sufficient records (name, address, date, amount) of the contributions and contributors. It is not persuaded that "Citizens" will therefore be able to report fully and timely. Staff recommends that this issue be clarified, perhaps through testimony by a representative from AT&T, before approval of this request is granted.
3. Staff maintains that the contributor is the person actually making the telephone call. Staff recommended that approval be withheld until it can be demonstrated that it is possible that the caller can be identified and that his/her identity will be disclosed in the report filed by "Citizens."

4. Based on the statutory definition of "contributions," staff believes that the day on which a caller makes a pledge to a "900 service" is the date of that contribution for recordkeeping and reporting purposes.
5. Staff concludes that the contribution amount should be the amount of money pledged, or the price the caller pays for the telephone call. Though taxes and service charges are included in this cost and deducted from the proceeds given to "Citizens," these costs are analogous to fundraising costs and should be considered as part of the contribution amount.
6. Staff states that "Citizens" may wish to have ELEC refer the question of whether this activity is prohibited because of the involvement of AT&T to the Attorney General. The Attorney General has jurisdiction over prohibited contributions.
7. Staff maintains that Mr. Prima would incur a filing responsibility either as a candidate or as a continuing political committee or political committee. Staff views the solicitation enterprise as an associational enterprise subject to reporting.

Commissioner Linett asked: if it can be shown that recordkeeping could take place how would staff feel about the matter?

Legal Director Nagy said that from the Commission's perspective, if records can be maintained and contributors adequately disclosed, the activity would be acceptable.

At this juncture, Mr. Matti Prima was asked to testify.

Commissioner Linett asked Mr. Prima if he believed it would be difficult to maintain records of contributors.

Mr. Prima responded that he believed that AT&T could provide the names of the individuals calling the "900 line" service. He said that two names would be obtained through telephone records.

Commissioner Linett asked: if 75 percent of the bill is paid how can it be determined which part would go to "Citizens for a Better New Jersey?"

Mr. Prima said that it was his understanding that if the charge to the person making the call was \$3, for example, the proceeds would be split between AT&T and "Citizens."

Commissioner Linett suggested that if the caller does not pay 100 percent of the bill yet AT&T passes the same amount on to "Citizens," AT&T could be construed as bank-rolling the operation.

Commissioner Bedford asked whether AT&T has a specific charge for its service.

Mr. Prima responded that AT&T has a flexible plan that is not fixed.

Commissioner Mayo indicated that AT&T was very much involved.

Mr. Prima said that the charges can vary. He said that they can be \$3 or \$4 for the first minute, depending upon the contractual agreement. He said that the charge could be any amount but that AT&T recommends that the charge be between \$3 and \$5 and certainly no higher than \$10. Mr. Prima said that the charge for successive minutes can vary as well.

Commissioner Bedford said that this did not necessarily mean that AT&T's service charges were not fixed. He said that it might mean that "Citizens" may simply receive a "bigger slice of the pie." On the other hand, continued Commissioner Bedford, if AT&T charged this committee at a lesser rate than it does under normal circumstances, it could mean that AT&T could be construed to be a contributor. The Commissioner said that he was not concerned if AT&T received in service charges more than the normal rate.

Commissioner Linett asked if the telephone message providing a follow-up option is available.

Commissioner Linett asked: without a follow-up option, how could the name of the caller, i.e., the contributor, be ascertained? He suggested that without a follow-up option the contribution would have to be attributed to the person who leases the line.

Commissioner Mayo asked how a contributor making a call from a business line could be identified?

Mr. Prima acknowledged that in a case such as this "Citizens" would not have a verified contribution.

Counsel Farrell suggested that prior to the Commission making a determination it should first hear testimony from the telephone company.

Commissioner Linett asked if it mattered what cost would be incurred by the caller or contributor?

Mr. Prima responded that for a fundraising endeavor such as this one, the targeted market would necessitate a minimal cost being incurred. He said that the cost to the contributor would be no higher than \$10. He reiterated that AT&T suggests that between \$3-\$5 for the first minute be charged. He said that the intent was to reach a large audience of small donors.

Commissioner Mayo asked why AT&T would be compensated for more than their cost?

Mr. Prima said that AT&T would be compensated for collecting and monitoring the calls.

Commissioner Linett asked: what amount would be recorded as the contribution? He questioned whether it would be the total charge of the call or the proportionate amount that goes to "Citizens."

Commissioner Bedford said that he had no problem with AT&T making money but they should not be allowed to contribute. He said that there must be a specific cost attached to dialing the "900" number.

Counsel Farrell said that he sees no problem if out of a charge of \$4 the group gets \$2 and the telephone company gets \$2, and that is the normal charge to all customers. Counsel Farrell said, however, that if AT&T reduces its normal charge as a result of the contract and receives less than the reasonable value of the call, there could be a problem.

Mr. Prima indicated that the service charges would be outlined in the business agreement.

Counsel Farrell said that in regards to the amount of the contribution reported, this amount should be that of the cost to the payee. He said that there should be no netting out. He said it was comparable to the Commission's policy on the price of tickets to fundraising events. The Commission considers the full price to be the contribution amount, he said.

Legal Director Nagy asked if the contribution would be more than \$20. Mr. Prima responded that this would be a grassroots fundraising effort and that contributions would not be more than \$20.

Commissioner Mayo asked: in what timeframe would you be able to obtain contributor information?

Mr. Prima said that the lag time would probably be 60-90 days.

Chairman McNany added that if it takes that long to get contributor information and a bill then it would also take that long to receive the proceeds from the operation.

Mr. Prima indicated that recourse financing might be available. He said that at the earliest, information might be available within 30 days.

Counsel Farrell said that the funds raised through this device must be limited to \$20 so that the Commission can justify an analogy to public solicitation. He said, however, that the Commission should not make a decision on this matter until it receives further information.

On a motion by Commissioner Linett, seconded by Commissioner Mayo and passed by a vote of 4-0, the Commission postponed a decision on the advisory opinion request until the October 17, 1990 meeting. The Commission asked that a representative from AT&T be present at the meeting.

Executive Director Herrmann suggested that the Commission would eventually need to adopt a regulation relevant to this new type of fundraising. The Commission agreed.

7. Readoption of Commission Regulations with Amendments

The Commission regulations need to be readopted to prevent them from expiring on January 9, 1991.

For more information see the Public Session Minutes of June 19, 1990, and the regulatory proposal.

On a motion by Commissioner Linett, seconded by Commissioner Bedford and passed by a vote of 4-0, the Commission readopted N.J.A.C. 19:25.

Commissioner Linett suggested that the Commission take some type of action in proposing that ELEC's jurisdiction be extended to prohibited contributions and the identification of campaign advertising.

Commissioner Bedford said that in view of the Ad Hoc Commission being poised to make its recommendations public, the timing for ELEC to make a proposal such as this one is wrong.

Executive Director Herrmann said that these issues will be addressed in the Commission's next White Paper.

8. Resolution to go into Executive Session

On a resolution by Commissioner Mayo, seconded by Chairman McNany and passed by a vote of 4-0, the Commission resolved to go into closed Executive Session to discuss the following matters which will become public as follows:

1. Executive Session Minutes of July 18, 1990, which minutes will only become public if various matters discussed or acted upon become public;
2. Final Decision recommendations in violation proceedings which will not become public. However, the Final Decisions resulting from those recommendations will become public 15 days after mailing;
3. Investigative Reports of possible violations, which reports will not become public. However, any Complaint generated as the result of an Investigative Report will become public 30 days after mailing.

9. Adjournment

On a motion by Commissioner Bedford, seconded by Commissioner Mayo and passed by a vote of 4-0, the Commission voted to adjourn at 3:14 p.m.

Respectfully submitted,



FREDERICK M. HERRMANN, PH.D.

FMH/jah