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May 3, 2019

Federal Election Commission
Office of General Counsel
Office of Complaints Examination
& Legal Administration
attn: Kathryn Ross, Paralegal
1050 First Street, NE
Washington, DC 20002

2019 MAY - 6 PM 12: 32
OFFICE OF
GENERAL COUNSEL

Re: Response of Chafin For Senate Campaign in MUR 7594

Dear Ms. Ross,

This response is submitted by the undersigned counsel in connection with MUR 7594 on behalf of Chafin For Senate Campaign. Chafin For Senate Campaign is a non-federal committee organized in Virginia.

The Complaint contends that the Respondent accepted a contribution from Enbridge Inc. in violation of the foreign national contribution ban. (Respondent acknowledges that the foreign national prohibition at 52 U.S.C. § 30121 applies to contributions made in connection with Federal, state, and local elections.) Specifically, the Complainant incorrectly asserts that “a foreign (Canadian) company (Enbridge Inc.) has made hundreds of contributions directly to American political campaigns and dozens of American political party committees; likewise, hundreds of American political campaigns and dozens of American political party committees accepted contributions from a foreign (Canadian) company (Enbridge Inc.).”¹ Elsewhere, the Complainant notes that the identified contributions were made by “Enbridge-DCP PAC,” but the Complaint as a whole appears either to misattribute the contributions to Enbridge Inc. or presumes there is no distinction between the two.

The contributions at issue were *not* made by Enbridge Inc.; they were made by Enbridge (U.S.) Inc. Political Action Committee. According to its most recent Statement of Organization, “Enbridge (U.S.) Inc. Political Action Committee (Enbridge-DCP PAC)” is the connected PAC of Enbridge (U.S.) Inc., which has an address of 5400 Westheimer Court, Houston, Texas 77056. Enbridge (U.S.) Inc. is incorporated in Delaware. The treasurer, custodian of records, and

¹ Complaint at 1.

designated agent identified in the Statement of Organization are based in Houston, and the PAC's bank account is with Comerica Bank in Detroit.

The Complainant does not appear to be aware of the Commission's treatment of separate segregated funds maintained by domestic subsidiaries of foreign principals. The Complainant presents no facts suggesting that Enbridge (U.S.) Inc. Political Action Committee is improperly funded or controlled. To the contrary, Enbridge's website includes a link to a "Political Contributions Policy"² that indicates the company is familiar with the Commission's requirements. The policy reads, in relevant part:

In the United States, eligible employees may choose to participate in the political process by voluntarily making contributions to the Enbridge (U.S.) Inc. Political Action Committee (Enbridge-DCP PAC), a political action committee that is not affiliated with any political party, candidate or organization. The PAC was established by Enbridge (U.S.) Inc. and DCP Midstream LLC, a joint venture between Enbridge Inc. and Phillips 66. Enbridge-DCP PAC is directed by a board of employees of both Enbridge (U.S.) Inc. and DCP Midstream, which makes all decisions regarding the PAC's political contributions. Enbridge-DCP PAC contributions go directly to support candidates for Congressional office and for state office, where Federal PAC contributions are permitted by state law. Contributions to certain national party organizations may also be made as appropriate. All PAC contributions are disclosed consistent with Federal and state laws and regulations, and available on the website of the Federal Election Commission and on the websites of election boards in the certain states where the PAC makes contributions.³

This language is consistent with the Commission's guidance regarding the source of funding and control of separate segregated funds established by domestic subsidiaries of foreign principals. *See generally* Advisory Opinion 2006-15 (TransCanada).

Chafin For Senate Campaign does not solicit or accept contributions from foreign nationals. Under a long line of Commission precedent, Enbridge (U.S.) Inc. Political Action Committee is not a "foreign national." The contribution made to the Respondent was facially valid and the Complaint presents no evidence suggesting any violation of the foreign national prohibition. There is no information available that would cause a reasonable person to conclude

² Enbridge Inc. Political Contributions Policy (Aug. 3, 2017), https://www.enbridge.com/~media/Enb/Documents/Investor%20Relations/CorporateGovernance/ENB_Political_Contributions_Policy.pdf?la=en.

³ *Id.* (emphasis added).

otherwise. The Commission should find no reason to believe a violation of the Act occurred and dismiss the Complaint.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jill H. Vogel", with a long horizontal flourish extending to the right.

Jill H. Vogel
Michael Bayes

OFFICE OF
GENERAL COUNSEL



FEDERAL ELECTION COMMISSION 2019 MAY -6 PM 12: 33
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STATEMENT OF DESIGNATION OF COUNSEL

Provide one form for each Respondent/Witness

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MUR # **7594**

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The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

05/01/2019

Date

Signature (Respondent/Agent)

Title

Chafin For Senate Campaign (nonfederal committee of A. Benton Chafin, Jr.)

RESPONDENT:

(Committee Name/ Company Name/Individual Named in Notification Letter)

Mailing Address: P.O. Box 1210, 44 E Main Street

(Please Print)

Lebanon, VA 24266

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This form relates to a Federal Election Commission matter that is subject to the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A). This section prohibits making public any notification or investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.