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**DATE:** January 22, 2008**TO:** Jodi Winship**FAX:** (202) 219-3496**FROM:** Carlos Bermudez**PHONE:** (313) 926-5216**FAX:** (313) 926-5240**RE:** FEC Mid-Year Report (1/1/07-6/30/07)**Number of pages including cover sheet: 5**ID C00002840

**Message:** Attached is a copy of the UAW V-CAP's answer to your December 12, 2007 letter. Our organization is having difficulty electronically filing our response. Please accept the attached letter until this issue is resolved. Feel free to contact with any questions/problems. Thank you.

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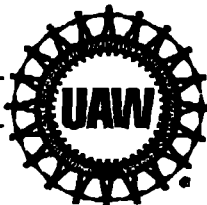
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January 18, 2008

Jodi Winship  
 Senior Campaign Finance Analyst  
 Reports Analysis Division  
 Federal Election Commission  
 Washington, DC 20463

**RE: FEC Mid-Year Report (1/1/07 – 6/30/07)**

Dear Ms. Winship:

UAW Voluntary Community Action Program ("UAW V-CAP") hereby responds to your December 12, 2007 letter concerning our Mid-Year Report (1/1/07 - 6/30/07). Your letter suggests that UAW V-CAP operated under a combined collecting agent/joint fundraising arrangement with AFL-CIO COPE PCC but failed to act in a manner consistent with collecting agent duties, as outlined in Part 102.6 of the Commission's regulations, for amounts transferred to AFL-CIO COPE PCC and reported in the Mid-Year Report for 1/1/07-6/30/07. For the reasons discussed below, we believe that these regulations are ill-suited and do not plainly apply to the UAW V-CAP/AFL-CIO COPE PCC joint fundraising arrangement. Even if the Commission determined the regulations do apply, UAW V-CAP substantially satisfied its obligation. Consequently, our Mid-term Report is accurate and complete, consistent with the letter and the spirit of the law.

The International Union, United Automobile Aerospace and Agricultural Implement Workers of America ("UAW"), the connected sponsoring organization of its separate segregated fund UAW V-CAP, is an international union affiliated with the AFL-CIO, a federation of national and international unions. These two organizations have a complete "restricted class" overlap as UAW members are concurrently AFL-CIO members by virtue of their UAW membership and FEC regulations. See 11 C.F.R. 114(e)(4) and (j). Consequently, nothing in the

Commission's regulations prevents either organization or their respective connected separate segregated fund from independently soliciting and receiving contributions from UAW members.

As such, the UAW, through UAW V-CAP, and the AFL-CIO, through its separate segregated fund AFL-CIO COPE PCC, are engaged in a joint fundraising arrangement with respect to these co-extensive restricted class members. UAW solicits members giving specific notice of the joint fundraising. Contributions are made directly to UAW V-CAP. UAW V-CAP funds are composed almost entirely of authorized, payroll-deducted contributions from UAW/AFL-CIO members, which are remitted to UAW V-CAP by the members' employers pursuant to the joint fundraising arrangement.

To the extent it (or the UAW for that matter) can be considered a collecting agent for AFL-CIO COPE PCC, UAW V-CAP is simultaneously a political committee collecting contributions itself from the same restricted class via the same solicitation and authorization. As such, both UAW V-CAP and AFL-CIO COPE PCC have title to the joint fundraising contributions. UAW V-CAP's claim is superior in that it has possession and full use of the money. AFL-CIO COPE PCC, on the other hand, has a contingent title subject to a condition precedent. That is to say, AFL-CIO COPE PCC has an equitable claim to the money that is triggered by a request, existence of sufficient funds, and approval by UAW V-CAP.

As a multi-candidate committee that has full use and possession of the above discussed contributions, UAW V-CAP is obligated to fully report them pursuant to 11 C.F.R. 104.1, 104.3(a). Here, UAW V-CAP fulfilled this obligation in the Mid-Year Report (1/1/07 - 6/30/07), by reporting all receipts and disbursements as outlined in Part 104.3, including contributions received from the original source. Moreover, UAW V-CAP reported the disbursement to AFL-CIO COPE PCC fully and accurately once AFL-CIO COPE PCC's claim in these jointly raised funds was triggered.

Just as Part 104.3(a) mandates UAW V-CAP to report contributions from the original contributor, Part 102.6 would require UAW V-CAP as a pure "collecting agent" to do something entirely different. Part 102.6 compels a pure collecting agent to segregate or separately account for a specific allocation to a separate segregated fund, transmit those funds within a set time frame and forward the original contributor's information so that the separate segregated fund can report the original source. That is to say, Part 102.6 requires UAW V-CAP to segregate a contribution in which UAW V-CAP has title, transmit a contribution to AFL-CIO COPE PCC possibly prior to its contingent interest being triggered, and to not report the original contributor although Part 104.3(a) requires reporting of this information. The first two requirements disregard the fact that both separate segregated funds have an interest in the contributions and the third is inconsistent with the specific reporting requirements of 104.3(a). This

conundrum exists because Part 102.6 is based on a pure "collecting agent" model premised on a fee simple property concept, not a collecting agent/joint fundraising model in which two separate segregated funds have joint title as exists here.

Part 102.6 fails to accurately capture the nature of the relationship between UAW V-CAP and AFL-CIO COPE or any parallel property relationship that may exist between other parties. Joint title renders Part 102.6 inapplicable and ill-suited to a joint fundraising arrangement between two separate segregated funds. The Commission is silent, and has yet to address the reporting requirements of two separate segregated funds engaged in the type of permissible joint fundraising arrangement that exists between UAW V-CAP and AFL-CIO COPE PCC. Based on the above, it is our belief that the transmittal and reporting requirements of Part 102.6 do not apply to UAW V-CAP.

It is important to acknowledge that transparency and accuracy of reporting is presently achieved in our Mid-Year report. Part 102.6(c)(7) requires a separate segregated fund receiving funds from a collecting agent to report the contribution to the extent required by 11 C.F.R. 104.3(a). Here, UAW V-CAP already reports the contribution pursuant to Part 104.3(a). Further, sums transferred by UAW V-CAP to AFL-CIO COPE PCC are most analogous to a transfer that Part 104 requires to be reported as total amounts as UAW V-CAP reported here. Such reporting allows full disclosure to the public and more accurately reflects the nature of the joint fundraising arrangement.

Furthermore, UAW V-CAP substantially complies with the Part 102.6 requirements. If UAW V-CAP were considered a pure collecting agent, the regulations would require it to transmit contributions to the AFL-CIO COPE PCC within 10 or 30 days, have a transmittal account solely for AFL-CIO COPE PCC or keep separate records of all receipts and deposits, forward all contributor identification information and retain the required records for three years.

During the Mid-Year Report (1/1/07 - 6/30/07) term, UAW V-CAP received \$3,474,004 almost entirely from voluntary payroll deducted contributions received on a constant basis. These contributions were specifically authorized as part of the joint fund raising arrangement. Moreover, almost all sums attributable to any individual contributor in a given employer remittance is less than the \$50.01 trigger that requires the shorter 10 day transmittal period, instead of the 30 day period. So the relevant transmittal time is likely 30 days. UAW V-CAP averaged eligible joint fundraised receipts of approximately \$575,000 in any given 30 day period.

The second requirement that UAW V-CAP maintain a transmittal account or keep separate records of receipts and deposits for AFL-CIO COPE PCC and transmit original contributor information is neither required nor possible in light of the simultaneous interest each entity has in the contributions and considering the

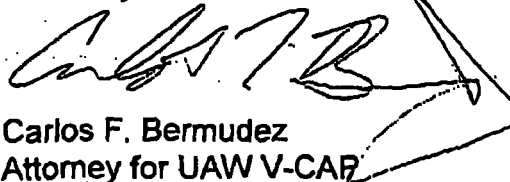
extraordinary administrative burden such a task would create. However, the current reporting conveys the exact same information clearly and more accurately reflects the joint fundraising/collecting agent relationship between UAW V-CAP and AFL-CIO COPE PCC.

The final requirement is that UAW V-CAP retain required records of the transactions with AFL-CIO COPE PCC for three years. See 11 C.F.R. 102(c)(6). Your letter fails to identify any specific violation of this provision. Even so, UAW V-CAP retains all of its records for the required amount of time.

For the reasons discussed above, we request that your office reconsider its position. To the extent that the Commission is dissatisfied with our compliance, the UAW V-CAP would require further consultation to determine how best to comply.

Thank you for your consideration.

Sincerely,




Carlos F. Bermudez  
Attorney for UAW V-CAP

CFB/lp  
opeiu494

Federal Election Commission  
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