

The original documents are located in Box 16, folder “Federal Election Commission - RNC and PFC Payment of Presidential Travel Expenses (2)” of the Philip Buchen Files at the Gerald R. Ford Presidential Library.

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[Aug. 1975?]

TALKING POINTS FOR CURTIS

1. I have been indirectly advised that the Commission intends to consider tomorrow a question on behalf of the Louis Wyman campaign regarding the apportionment of any travel costs to the campaign in the event the President is to make an appearance.
2. My office has been working on this question for some time. We would appreciate an opportunity to present our views in writing to the FEC, in sufficient time for the staff to review them before the Commission considers this matter.
3. I have not seen the Wyman request nor have I been able to locate it in the Federal Register, so I am really not sure yet what issues he raises. However, if it is in the form of a request for an advisory opinion, under Section 437 ~~f~~(c), we are an interested party and are entitled to an opportunity to transmit written comments to the FEC with respect to this matter prior to your advisory opinion.
4. In view of the fact that any Presidential travel would be several weeks off, and that I can promise you a letter will be delivered to you tomorrow, it is hoped that the Commission will give us an opportunity to have our views sufficiently considered prior to any ruling or opinion.

Paul Dembling - GC GAO
Elmer Staats - CG

- ① tradition
- ② evidenced by Hatch Act
- ③ dual role of President



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Rowland Evans and Robert Novak

[Aug. 1975]

The President's Campaign Financing

President Ford intends to campaign this year without obeying stringent financial regulations imposed on all other presidential candidates by the new election law—an exercise in loophole-seeking which could land him in political and legal trouble.

The President's intentions became clear Aug. 18 and 19 when his six purely political speaking stops were paid for by the Republican National

“Although Mr. Ford is an announced candidate for President, his lawyers claim he is traveling politically this year as leader of the Republican Party, not as a candidate.”

from the national committee when he is not.

interpreting the law as it sees fit and in a way possible for no other candi-

The President Ford Committee

☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆

1200 Eighteenth Street, N.W.

Suite 916

Washington, D. C. 20036

(202) 833-8920

August 6, 1975

MEMORANDUM FOR PHILIP W. BUCHEN

FROM: BO CALLAWAY

Phil:

Here's the memo that I talked to you about on the phone.

Good to see you at Marty's swearing-in yesterday.

Inclosure

Bo



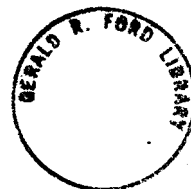
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Wyman's office in New Hampshire. Lou
wants to know if he has to pay
if the President comes into New Hampshire.
This merely indicates the need of moving
ahead with a well thought out plan
on this subject.*

Regards.

Bo

July 4, 1975

MEMORANDUM FOR: DICK CHENEY
FROM: BO CALLAWAY
SUBJECT: TRÁVEL EXPENSES



This is to put in writing my concern about travel expenses and my suggestions.

I think it would be well to have someone, probably Phil Buchen, do an indepth research of both the law and historical precedent for charging of campaign travel expenses for incumbent Presidents. I think it's important that this policy be established on sound ground and be made available both to the media and the Federal Election Commission soon.

My general feeling subject to research of the law and past precedent is as follows:

1. The basic rule is for a trip on Presidential business to be paid by the government, a trip as the leader of the Party to be paid by the RNC, a campaign trip to be paid by the President Ford Committee.

2. Only those expenses should be charged to either the RNC or the President Ford Committee that are expenses required by the President. For example, the campaign does not require the Secret Service, communications, special car, Air Force One, helicopters or many other items that the President requires. The campaign should be charged only at the cost of comparable travel, for example, if the President needs 10 seats on Air Force One he should pay at the rate of 10 seats for commercial aircraft. The same applies to a helicopter. If the President cannot for Presidential reasons travel by car, the campaign should not be forced to pay the extra cost of the helicopter.

3. It's cleaner when an entire trip is for one purpose only, but I do not believe that should deter us from using the

July 4, 1975

Page Two

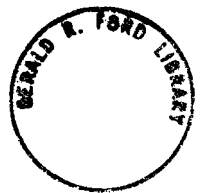
President in his role as head of the Party or in his role as candidate when he is on taxpayers business.

4. When the Party or candidate aspects of a trip are only incidental (as was the case in the Benning trip) then the Party or Committee should be required to pay only the incidental expenses and not any pro rata share of the total trip.

5. When the Party or campaign aspect is substantial, a determination should be made as to the percentage that should be paid by the government and by the campaign or the Party. A clear cut policy for the campaign should be announced ahead of time, and on each trip a public announcement should be made as to what the pro rata for that trip is.

Dick, let me reemphasize the importance of this. Unless this is resolved favorably, we will lose a large portion of the limited money available to us under the new election law, and other candidates will not be so penalized.

cc: Dean Burch



The President Ford Committee

☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆

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cc: Dean Burch



THE WHITE HOUSE

WASHINGTON

August 7, 1975

MEMORANDUM



Apportionment of Expenditures for Mixed Political and
Official Trips of the President of the United States

In the coming months, the President will be travelling in three different capacities, as President of the United States, as titular head of the Republican Party, and as a candidate for President. In terms of both the Federal election campaign laws, and the public's perception of the President's use of official resources, it is imperative that costs relating to political travel be borne by the appropriate political committee, i.e., the President Ford Committee or the Republican National Committee. It is equally important that the political committee not be required to pay the cost of official travel. To satisfy both of these concerns, it is proposed that payment of the Presidential travel expenses be handled in accordance with the chart attached at Tab A and described below.

Travel Aboard Presidential Aircraft

Whenever a Presidential trip has a mixed official and political purpose, it is necessary that the appropriate political committee be charged for the pro rata share of the cost of the political portion of the trip. This can best be accomplished by the political committee paying its pro rata share of flight costs calculated under the round trip air fare formula. Under this formula, the political stops are isolated from official stops in order to establish the hypothetical political trip that would have been made if the President did not have the responsibilities of his office. For the purpose of this formula, a political stop occurs whenever a particular stop includes a publicized or non-private event, e.g., fund raisers, rallies, conventions, etc. A stop is not considered to be political when the President merely meets, incidental to an official event, with political figures in an informal and unpublicized meeting, e.g., a private breakfast with a local political figure or greeting a small group of local politicians.



Once the political portion of the trip has been identified, the Department of Defense calculates the political costs of the trip, on the basis of the roundtrip flying time between Washington, D. C. and the political cities, in accordance with the hourly rate schedule for military aircraft attached at Tab B. For example, if the President were to go on a mixed purpose trip to ten cities, of which only three stops were political, the cost of the plane and helicopters, if any, would be determined by the flying time from Washington to these three cities in the order travelled, and return to Washington. DOD will then bill the political committee for its pro rata share of the total cost of this trip, based on the percentage of passengers who are considered to be political.

For this purpose, political travelers include the President and First Family, White House advisors (Rumsfeld, Hartmann, Marsh, Buchen, Nessen, etc.), White House support staff (O'Donnell, Kennerly, Yates, etc.), the Advance Staff, and any political officials accompanying the President (Callaway, Burch, Packard, etc.). On the other hand, the political committee is not required to pay the cost of travel for support personnel from agencies other than the White House who travel with the President as part of their official duties (e.g., Secret Service, military aides, physician, etc.). Since these persons are flying on governmental aircraft on official business, this is not a political expense, and there is no need to reimburse the government for such official costs. The press pool flying on Presidential aircraft must pay their own way, regardless of the nature of the trip, and will be billed by DOD for their pro rata share of the cost of the entire trip.

Per Diem - Hotels and Meals

Per diem for travelers on mixed trips must also be handled in a way that the appropriate political committee pays for all costs related to the political portion of a trip. Thus, the political committee is to pay the per diem costs for the White House advisors and support staff accompanying the President if the purpose of the stop is either solely political or mixed. The only exception is for White House support staff, such as Ray Zook, who are present to make arrangements to transport the press. The press spokesmen (e.g., Nessen, Greener, Speakes, etc.) are to be treated as political travelers during any political stops.

Expenses for advancements will continue to be paid by the appropriate political committee. Expenses for non-White House support staff who are present as part of their official duties will continue to be paid by their respective agencies. The White House travel office makes arrangements for hotel rooms, etc., for the press who are then billed directly for these items. In no case will any costs attributable to a political purpose be paid for with appropriated funds, e.g., a private breakfast with local political figures.

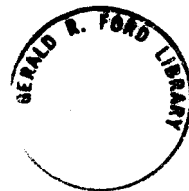
Communications, Motorcades, Automobile Rentals
and Miscellaneous

These items are all readily identifiable as to their purpose and are to be paid by the Government in the case of official stops, and by the appropriate political committee in the case of political stops. Motorcade cars or minibuses for White House advisors and support staff on official stops will continue to be paid from political funds as local political figures frequently ride in the motorcade, on such official stops. This will limit the possibility of any criticism resulting from the use of appropriated funds for this purpose.

Matters to Present to the Federal
Election Commission

It is recommended that an advisory opinion from the Federal Election Commission (FEC) be requested on behalf of the President and Vice President to confirm that appropriated funds spent for official purposes do not count towards any campaign spending limitations. In addition, a letter should be sent to the FEC for its information, to explain the pro rata roundtrip air fare formula to be used for apportioning the costs of mixed purpose trips.

The Republican National Committee is now in the process of contacting the FEC with respect to the expenditures traditionally undertaken by the two national political committees in furtherance of party goals and activities by the President and Vice President as titular heads of their political parties. It is, therefore, unnecessary for the White House to raise this question with the FEC at this time.



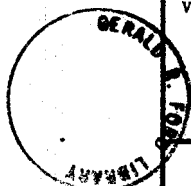
PRESIDENT OF THE UNITED STATES TRAVEL - SOURCE OF FUNDS

PROPOSAL 3

POTUS: Official trip as President
RNC: Political trip as head of RNC
PFC: Political trip as candidate

TRAVEL EXPENSE ITEM

TYPE OF TRAVELER	AIRCRAFT	PER DIEM (HOTEL & MEALS)	COMMUNICATIONS	AUTOMOBILE RENTALS INCLUDING MOTORCADE	MISCELLANEOUS
<u>WHO ADVISERS</u> (RUMSFELD, HARTMANN, CHENEY, MARSH, ETC.)	POTUS: DOD pays cost; no bill to adviser RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: WHO pays per diem RNC: RNC pays per diem PFC: PFC pays per diem	POTUS: Provided by WHCA RNC: Lighting, public address system and associated power paid for by RNC PFC: Lighting, public address system and associated power paid for by PFC	POTUS: Staff cars paid by WHO. Motorcade* cars paid by RNC. RNC: Paid by RNC PFC: Paid by PFC *Motorcade cars to be replaced by minibus	POTUS: Paid by WHO unless falls within per diem, then advisers pays personally RNC: Paid by RNC PFC: Paid by PFC
<u>WHO SUPPORT STAFF</u> (O'DONNELL, KENNERLY, YATES, SECRETARIES AND OTHER WHO-PAID SUPPORT STAFF)	POTUS: DOD pays cost; no bill to staff RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: WHO pays per diem RNC: RNC pays per diem PFC: PFC pays per diem	POTUS: Provided by WHCA RNC: Lighting, public address system and associated power paid for by RNC PFC: Lighting, public address system and associated power paid for by PFC	POTUS: Staff cars paid by WHO. Motorcade* cars paid by RNC. RNC: Paid by RNC PFC: Paid by PFC *Motorcade cars to be replaced by minibus	POTUS: Paid by WHO unless falls within per diem, then staff member pays personally RNC: Paid by RNC PFC: Paid by PFC
<u>SUPPORT STAFF EXCLUDING WHO-PAID STAFF</u> (USSS AGENTS, PHYSICIAN, WHCA PERSONNEL, MIL- ITARY AIDES, ETC.)	POTUS: DOD pays cost; no bill to staff RNC: DOD pays cost; no bill to staff PFC: DOD pays cost; no bill to staff	POTUS: Per diem for support staff paid by respective agency RNC: Per diem for support staff paid by respective agency PFC: Per diem for support staff paid by respective agency	POTUS: Provided by WHCA RNC: Lighting, public address system and associated power paid for by RNC PFC: Lighting, public address system and associated power paid for by PFC	POTUS/RNC/PFC: Paid by respective USG agency	POTUS/RNC/PFC: Paid by respective USG agency unless falls within per diem, then staff member pays personally
<u>ADVANCE STAFF</u> (CAVANEY, AND OTHER WHO-PAID STAFF AND VOLUNTEERS)	POTUS: DOD pays cost; no bill to advance man RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: Actual costs reimbursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC	POTUS: Provided by WHCA RNC: Lighting, public address system and associated power paid for by RNC PFC: Lighting, public address system and associated power paid for by PFC	POTUS: Paid by RNC RNC: Paid by RNC PFC: Paid by PFC	POTUS: Actual costs reimbursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC
<u>PRESS</u> (POOL PERSONNEL ACCOMPANYING PRESIDENT)	POTUS/RNC/PFC: WHO Travel Office bills press pro-rata share and forwards payment to DOD	POTUS/RNC/PFC: Pre-registration arranged for all hotels for press handled by Zook's WHO Travel Office, but press are billed direct for all hotel and meal costs	POTUS/RNC/PFC: Press pay own communications cost on all trips. However, costs for lighting, public address and associated power are paid by USG for POTUS trips, and RNC and PFC for political trips.	POTUS/RNC/PFC: Zook of WHO Travel Office bills press for pro rata share of cost for bus rental for motorcades	POTUS/RNC/PFC: Press pay all miscellaneous costs



27000 (Air Force One) (VC-137C)

Cost per hour: \$2,204.00

White Top Helicopter (VH-3A)

Cost per hour: \$ 723.00

Huey Helicopter (VH-1N)

Cost per hour: \$ 262.00



August 12, 1975

*Federal
Elections
Comm.*

John G. Murphy, Jr.

This letter is our request for a Counsel's opinion on a series of questions. These arise from anticipated circumstances in the campaign to elect Mr. Louis Wyman in the Special Senate election in New Hampshire on September 16, 1975.

President Ford and former Governor Reagan may travel to New Hampshire. While here, they may hold rallies, press conferences, and attend public meetings, On these occasions they may appear with Lou Wyman and endorse his candidacy. Their expenses will not be paid by the Wyman for Senate Committee which is the principal campaign committee for him.

Our questions are (1) does this constitute a contribution in kind to the Wyman campaign? If so, (2) how is that contribution to be computed? (3) Does their travel to and from New Hampshire count, and (4) what does a candidate do to avoid accepting this kind of contribution under the law?

We would appreciate your prompt response since decisions are being made daily which affect the points raised in this letter.

George Young
Campaign Chairman

THE WHITE HOUSE

WASHINGTON

August 22, 1975

MEMORANDUM FOR: BILL BAROODY

FROM: PHILIP BUCHEN *P.W.B.*

SUBJECT: Maintaining non-Political
Character of White House
Conference

This memorandum is written to make a record of the point you raised at the Senior Staff meeting on August 21 regarding the above subject.

You mentioned that political events scheduled for the President to take place in the same locality where a White House conference is to be held and at about the same time have the detrimental effect of discouraging non-partisan participation in the conference. Thus, a principle to be followed in preparing the President's travel schedules should be to separate political appearances from White House conferences.

cc: Don Rumsfeld
Warren Rustand



THE WHITE HOUSE
WASHINGTON

August 25, 1975

*Pres. Ford
Cmte.*

MEMORANDUM FOR: JACK HUSHEN
THROUGH: PHIL BUCHEN *P.W.B.*
FROM: BARRY ROTH *BR*
SUBJECT: RNC Expenditures for
Titular Head of Party

Referencing yesterday's Evans and Novak column concerning expenditures by the RNC for the President as titular party head, the following should be of assistance to you in responding to additional inquiries:

1. In an August 7 letter (attached) to FEC Chairman Curtis, Philip Buchen indicated that (a) the two national political committees have traditionally undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as titular heads of their political parties; (b) the RNC has made such expenditures during the present and prior Administrations; and (c) Buchen has requested the RNC General Counsel to contact the FEC directly in this regard.
2. On August 15, the RNC Counsel wrote to Chairman Curtis, at Buchen's request, that the RNC was drafting "a communication" to the FEC on these expenditures, which would be transmitted to them no later than September 12. This letter is also attached.
3. Such expenditures by the RNC are included within their quarterly reports of receipts and expenditures which are filed with the FEC, the Clerk of the House and the Secretary of the Senate.



4. The RNC only pays for the President's travel in his titular party role. Jerry Jones advises that the only trips now planned for the remainder of 1975 are either official or as head of the party, e.g., fund raisers at RNC invitation.

5. The PFC has not requested an advisory opinion from the FEC on the President's travels as head of party versus those as candidate, rather the RNC (above) has written to the FEC on this matter.

6. Phil Buchen's answer was to whether an advisory opinion would be sought on the apportionment of travel expenses on mixed political-official trips, not on the distinction between the President's two political roles.

In summary, the conclusion that we are interpreting the law as we see fit is inconsistent with the letters that have already been sent to the FEC, either by us or at our request.

cc: Don Rumsfeld
Bob Hartmann
Jack Marsh
Dick Cheney
Jerry Jones



THE WHITE HOUSE

WASHINGTON

August 7, 1975

Dear Mr. Curtis:

This is in response to your letter of July 10, 1975, inquiring whether President Ford maintains an office account, newsletter fund or similar account within the purview of 2 U.S.C. 439a.

I regret the delay in responding to your inquiry. However, it was necessary to review in detail our present practices in order to respond fully to your question. No such accounts are maintained by or on behalf of the President to defray "any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office...."

As an accommodation to the White House press corps which travels with the President on all trips, regardless of the nature of the trip, the White House travel office has traditionally maintained a so-called press travel account. This account receives payments from the White House press corps for its share of the costs of travelling on Air Force One, the press charter plane which follows the President's plane, and any ground transportation necessary for the press to accompany the President at virtually all times while away from Washington.

Due to the unique nature of the President's schedule; e.g., confidential departure times, use of military bases, possibilities for sudden schedule changes, etc., the White House travel office makes the necessary arrangement for these transportation costs and bills the media accordingly. Receipts are maintained in an account used only for this purpose. Disbursements from this account are generally made into the Treasury of the United States for travel on government planes, to the airlines from whom planes have been chartered, and to the appropriate companies for ground transportation expenses.



While this account is not used for support of a holder of Federal office, we would be pleased to make its records available for inspection by members of your staff.

It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

Philip W. Buchen

Philip W. Buchen
Counsel to the President

Mr. Thomas B. Curtis
Chairman
Federal Election Commission
Washington, D. C. 20463

CC: Cramer, Haber & Becker



CRAMER, HABER & BECKER

ATTORNEYS AT LAW

475 L'ENFANT PLAZA, S. W.

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(305) 558-0980

BRADHAM, LYLE, SKIPPER & CRAMER

899 FIRST AVENUE NORTH

ST. PETERSBURG, FLORIDA 33701

(813) 893-1991

OF COUNSEL

CHARLES W. SANDMAN, JR.

F. LAWRENCE MATTHEWS

KENNETH MICHAEL ROBINSON

August 15, 1975

Honorable Thomas B. Curtis, Chairman
The Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20005

Dear Chairman Curtis:

On August 7, 1975, Philip W. Buchen, Counsel to the President, wrote your office in response to its letter of July 10, 1975, which raised certain inquiries relative to a White House office account, newsletter fund, and similar accounts within the purview of 2 U.S.C. 439a. Mr. Buchen's communication made reference to expenditures paid by the Republican National Committee in furtherance of Party goals for activities performed by the President and Vice President as titular head of their political party.

Mr. Buchen stated:

"It is our understanding that for a number of years the two national political committees have undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as the titular heads of their political parties. The Republican National Committee has made such expenditures during the present and prior Administrations. I have, therefore, requested the General Counsel of the Republican National Committee to respond



Honorable Thomas B. Curtis
Page 2
August 15, 1975

to you directly with respect to these expenditures. He has advised that these expenditures have already been filed with the Federal Election Commission, the Clerk of the House and the Secretary of the Senate, in the Committee's quarterly reports, and that he will promptly contact the FEC to discuss the matter further."

This is to advise that the Republican National Committee is currently undertaking the draftsmanship of a communication to the Federal Election Commission which documents would purport to disclose the history and purpose of the expenditures referred to in Mr. Buchen's correspondence, offer a rationale for same and generally acquaint the FEC with the need to recognize the concept that major parties payments for on-going party expenses in both election and non-election years are not chargeable to any Federal candidate.

It is anticipated that this project will be completed and transmitted to your office no later than September 12, 1975. In the interim, should you have any questions or inquiry regarding this matter, do not hesitate to call upon me.

Sincerely,

Benton L. Becker/dsl
BENTON L. BECKER for the
Republican National Committee

BLB:dsl



THE WHITE HOUSE

WASHINGTON

August 25, 1975

MEMORANDUM FOR: JIM CONNOR

THROUGH: PHIL BUCHEN

FROM: BARRY ROTH *BR*

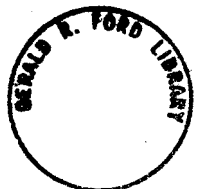
SUBJECT: Apportionment of Expenditures
for Mixed Political Travel

With the anticipated increase in Presidential travel for political purposes in the coming months, it is important that we now determine what method is to be used for apportioning the costs of mixed political and official trips by the President. Attached at Tab A is this office's memorandum to you of August 7 in which we proposed the adoption of the round trip airfare method for apportionment of such expenses. This method along with two alternative methods are described below. We believe that each of these will be in compliance with the Federal election laws.

1. The all-or-nothing method. Under this formula which is presently in use, if any part of a trip is considered to be political, the airfare for the entire trip is paid by the appropriate political committee. At the present time, the political committee pays the airfare for all passengers on the Presidential aircraft except the press.

Advantages:

- (a) Eliminates any possibility of misuse of appropriated funds;
- (b) Minimizes criticism by the media with respect to the use of official resources for political purposes.



Disadvantages:

- (a) Requires the political committee to unnecessarily bear costs relating to official Presidential activities;
- (b) The RNC and PFC cannot afford to pay for the anticipated level of Presidential political travel if this method is used.

2. The round trip method. Under this formula used by Vice President Ford, the political committee pays the pro rata share of the cost for the political travelers aboard the Presidential aircraft from the point of departure for the trip, generally the White House, to each of the political stops, and return to the point of departure. For this purpose, the First Family, any member of the White House staff and any political figures, e.g., Callaway and Burch, will be treated as political travelers. A political stop is considered to occur whenever a particular stop includes a publicized or non-private political event, e.g., fund raisers, rallies, conventions, etc. A stop is not considered to be political when the President merely meets, incidental to an official event, with political figures in an informal and unpublicized meeting, e.g., a private breakfast with a local political figure or greeting a small group of local politicians.

Advantages:

- (a) Substantially lessens the burden on political funds being used to support official travel;
- (b) Eliminates criticism for piggybacking official travel onto political in order to reduce the political costs by isolating the hypothetical political trip that a non-incumbent would have made.

Disadvantage: Some critics may object to paying only the travel costs for the "political" travelers aboard the aircraft. However, it should be noted that the Secret Service in 1972 paid its own way on the Democratic candidates' charter flights. There is no reason why the PFC or the RNC must or



should pay for the air travel of Secret Service and other non-political government employees who must support the President wherever he goes.

3. The all-or-nothing method -- pro rata share. Same as Option 1, However, the political committee is billed only for the pro rata share of the flight costs for the political travelers for the entire trip rather than for just the political stops.

Advantages:

- (a) Lessens the current financial burden on the political committees;
- (b) Eliminates charges of "piggybacking" official travel onto political.

Disadvantage: Requires the political committee to continue to pay for some costs attributable to official travel.

Regardless of the method to be used, the press are to pay their pro rata share of the cost of flying aboard the Presidential aircraft. In order to reduce the present cash flow burden to the political committee, and to eliminate the necessity for checks being written by Ray Zook for the press corps to a political committee, DOD through Ray Zook will separately bill the press for its share of the costs of travel.

Recommendation: The Counsel's office recommends Option 2, the round trip airfare method.

Option 1 -- The all-or-nothing method _____

Option 2 -- Round trip airfare method _____

Option 3 -- The all-or-nothing method -- pro rata share _____

See Me _____



We also recommend the following:

(a) Seeking an advisory opinion from the FEC on behalf of the President and Vice President to confirm that expenditures of appropriated funds for official purposes are not attributable to any campaign spending limitations, and that we need not apportion the salaries of White House officials who spend a portion of their time on political matters, e.g., on political trips with the President.

Approve _____ Disapprove _____

(b) Notifying the FEC by letter how we will apportion costs on mixed official and political trips.

Approve _____ Disapprove _____

As you are aware, the RNC has already contacted the FEC with respect to expenditures traditionally undertaken by the two national political committees in furtherance of party goals and activities by the President and Vice President as titular heads of their political parties. There is no need for the White House to also raise this question.



THE WHITE HOUSE

WASHINGTON

August 7, 1975

MEMORANDUM

Apportionment of Expenditures for Mixed Political and
Official Trips of the President of the United States

In the coming months, the President will be travelling in three different capacities, as President of the United States, as titular head of the Republican Party, and as a candidate for President. In terms of both the Federal election campaign laws, and the public's perception of the President's use of official resources, it is imperative that costs relating to political travel be borne by the appropriate political committee, i.e., the President Ford Committee or the Republican National Committee. It is equally important that the political committee not be required to pay the cost of official travel. To satisfy both of these concerns, it is proposed that payment of the Presidential travel expenses be handled in accordance with the chart attached at Tab A and described below.

Travel Aboard Presidential Aircraft

Whenever a Presidential trip has a mixed official and political purpose, it is necessary that the appropriate political committee be charged for the pro rata share of the cost of the political portion of the trip. This can best be accomplished by the political committee paying its pro rata share of flight costs calculated under the round trip air fare formula. Under this formula, the political stops are isolated from official stops in order to establish the hypothetical political trip that would have been made if the President did not have the responsibilities of his office. For the purpose of this formula, a political stop occurs whenever a particular stop includes a publicized or non-private event, e.g., fund raisers, rallies, conventions, etc. A stop is not considered to be political when the President merely meets, incidental to an official event, with political figures in an informal and unpublicized meeting, e.g., a private breakfast with a local political figure or greeting a small group of local politicians.



Once the political portion of the trip has been identified, the Department of Defense calculates the political costs of the trip, on the basis of the roundtrip flying time between Washington, D. C. and the political cities, in accordance with the hourly rate schedule for military aircraft attached at Tab B. For example, if the President were to go on a mixed purpose trip to ten cities, of which only three stops were political, the cost of the plane and helicopters, if any, would be determined by the flying time from Washington to these three cities in the order travelled, and return to Washington. DOD will then bill the political committee for its pro rata share of the total cost of this trip, based on the percentage of passengers who are considered to be political.

For this purpose, political travelers include the President and First Family, White House advisors (Rumsfeld, Hartmann, Marsh, Buchen, Nessen, etc.), White House support staff (O'Donnell, Kennerly, Yates, etc.), the Advance Staff, and any political officials accompanying the President (Callaway, Burch, Packard, etc.). On the other hand, the political committee is not required to pay the cost of travel for support personnel from agencies other than the White House who travel with the President as part of their official duties (e.g., Secret Service, military aides, physician, etc.). Since these persons are flying on governmental aircraft on official business, this is not a political expense, and there is no need to reimburse the government for such official costs. The press pool flying on Presidential aircraft must pay their own way, regardless of the nature of the trip, and will be billed by DOD for their pro rata share of the cost of the entire trip.

Per Diem - Hotels and Meals

Per diem for travelers on mixed trips must also be handled in a way that the appropriate political committee pays for all costs related to the political portion of a trip. Thus, the political committee is to pay the per diem costs for the White House advisors and support staff accompanying the President if the purpose of the stop is either solely political or mixed. The only exception is for White House support staff, such as Ray Zook, who are present to make arrangements to transport the press. The press spokesmen (e.g., Nessen, Greener, Speakes, etc.) are to be treated as political travelers during any political stops.



Expenses for advancement will continue to be paid by the appropriate political committee. Expenses for non-White House support staff who are present as part of their official duties will continue to be paid by their respective agencies. The White House travel office makes arrangements for hotel rooms, etc., for the press who are then billed directly for these items. In no case will any costs attributable to a political purpose be paid for with appropriated funds, e.g., a private breakfast with local political figures.

Communications, Motorcades, Automobile Rentals
and Miscellaneous

These items are all readily identifiable as to their purpose and are to be paid by the Government in the case of official stops, and by the appropriate political committee in the case of political stops. Motorcade cars or minibuses for White House advisors and support staff on official stops will continue to be paid from political funds as local political figures frequently ride in the motorcade, on such official stops. This will limit the possibility of any criticism resulting from the use of appropriated funds for this purpose.

Matters to Present to the Federal
Election Commission

It is recommended that an advisory opinion from the Federal Election Commission (FEC) be requested on behalf of the President and Vice President to confirm that appropriated funds spent for official purposes do not count towards any campaign spending limitations. In addition, a letter should be sent to the FEC for its information, to explain the pro rata roundtrip air fare formula to be used for apportioning the costs of mixed purpose trips.

The Republican National Committee is now in the process of contacting the FEC with respect to the expenditures traditionally undertaken by the two national political committees in furtherance of party goals and activities by the President and Vice President as titular heads of their political parties. It is, therefore, unnecessary for the White House to raise this question with the FEC at this time.



PRESIDENT OF THE UNITED STATES TRAVEL - SOURCE OF FUNDS

PROPOSAL 3

POTUS: Official trip as President
RNC: Political trip as head of RNC
PFC: Political trip as candidate

TRAVEL EXPENSE ITEM

TYPE OF TRAVELER	AIRCRAFT	PER DIEM (HOTEL & MEALS)	COMMUNICATIONS	AUTOMOBILE RENTALS INCLUDING MOTORCADE	MISCELLANEOUS
<u>WHO ADVISERS</u> (RUMSFELD, HARTMANN, CHENEY, MARSH, ETC.) and <u>WHO SUPPORT STAFF</u> (O'DONNELL, KENNERLY, YATES, SECRETARIES AND OTHER WHO-PAID SUPPORT STAFF)	POTUS: DOD pays cost; no bill to adviser RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: WHO pays per diem RNC: RNC pays per diem PFC: PFC pays per diem	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public address system and assoc- iated power paid for by PFC	POTUS: Staff cars paid by WHO. Motorcade* cars paid by RNC. RNC: Paid by RNC PFC: Paid by PFC *Motorcade cars to be re- placed by minibus	POTUS: Paid by WHO unless falls within per diem, then advisers pays personally RNC: Paid by RNC PFC: Paid by PFC
<u>SUPPORT STAFF EXCLUDING WHO-PAID STAFF</u> (USSS AGENTS, PHYSICIAN, WHCA PERSONNEL, MILITARY AIDES, ETC.)	POTUS: DOD pays cost; no bill to staff RNC: DOD pays cost; no bill to staff PFC: DOD pays cost; no bill to staff	POTUS: Per diem for support staff paid by respective agency RNC: Per diem for support staff paid by respective agency PFC: Per diem for support staff paid by respective agency	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public ad- dress system and associated power paid for by PFC	POTUS/RNC/PFC: Paid by respective USG agency	POTUS/RNC/PFC: Paid by respective USG agency unless falls within per diem, then staff member pays personally
<u>ADVANCE STAFF</u> (CAVANEY, AND OTHER WHO-PAID STAFF AND VOLUNTEERS)	POTUS: DOD pays cost; no bill to advancement RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: Actual costs reimbursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC	POTUS: Provided by WHCA RNC: Lighting, public address system and associated power paid for by RNC PFC: Lighting, public address system and associated power paid for by PFC	POTUS: Paid by RNC RNC: Paid by RNC PFC: Paid by PFC	POTUS: Actual costs reim- bursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC
<u>PRESS</u> (POOL PERSONNEL ACCOMPANYING PRESIDENT)	POTUS/RNC/PFC: WHO Travel Office bills press pro rata share and forwards payment to DOD	POTUS/RNC/PFC: WHO Travel Office pre-registers press in all hotels with press billed direct for all hotel and meal costs	POTUS/RNC/PFC: Press pay own communications cost on all trips. However, costs for lighting, public address and associated power are paid by USG for POTUS trips, and RNC and PFC for political trips.	POTUS/RNC/PFC: WHO Travel Office bills press pro rata share of cost for bus rental for motorcades	POTUS/RNC/PFC: Press pay all miscellaneous costs



27000 (Air Force One) (VC-137C)

Cost per hour:

\$2,206.00

Passengers:

53 (59 with President's lounge
& First Lady's Sitting Room)

26000 (Air Force One backup) (VC-137C)

Cost per hour:

\$2,206.00

Passengers:

55 (62 with President's lounge
& First Lady's Sitting Room)

Jet Star (VC-140)

Cost per hour:

\$ 889.00

Passengers:

8

White Top Helicopter (VH-3A)

Cost per hour:

\$ 723.00

Passengers:

16 (12 with President aboard)

Huey Helicopter (VH-1N)

Cost per hour:

\$ 262.00

Passengers:

8



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 26, 1975

AGENDA ITEM

8/28/75

II C

MEMORANDUM TO: The Commissioners

FROM: Jack Murphy *JM.*

Attached please find OC 1975-48 for your review subject to the two-day rule. It will be listed on the agenda for Thursday, August 28, 1975.

Attachment



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

OC 1975-48

Mr. George Young
Wyman-for-Senator Committee
Concord, New Hampshire

Dear Mr. Young:

This letter is in response to your request dated August 12, 1975, for an opinion of counsel. In your request you state that "President Ford and former Governor Reagan may travel to New Hampshire. While [there] they may hold rallies, press conferences and attend public meetings. On these occasions they may appear with Louis Wyman and endorse his candidacy. Their expenses will not be paid by the Wyman-for-Senate Committee which is [the candidate's] principal campaign committee."

The questions you pose are:

1. Does this constitute a contribution-in-kind to the Wyman campaign? If so:
2. How is that contribution to be computed?
3. Does their travel to and from New Hampshire count?
4. What does a candidate do to avoid accepting this kind of contribution under the law?

Each of these issues is addressed below.

1. Characterization of activities

The cost of the described activities will be a contribution-in-kind subject to the appropriate contribution limitations in 18 U.S.C. §608(b), if the actual expenses are assumed by an individual or by a political committee other than the national or state Republican party committee.



Such contribution will also be attributed to the Wyman campaign expenditure limitation set out in 18 U.S.C. §608(c).

If, however, either party committee assumes such expenses, the cost of the trip may be either a contribution-in-kind or an expenditure by the party under 18 U.S.C. §608(f). The Federal Election Campaign Act Amendments of 1974 established a separate expenditure limitation for political parties; under 18 U.S.C. §608(f), the national and the state Republican party committees are each entitled to spend \$20,000 in the Wyman campaign. If the party and the candidate agree, the cost of this trip may be treated as an expenditure under 18 U.S.C. §608(f), rather than as a contribution-in-kind to, and expenditure by, the Wyman campaign.

A further question arises because of the political status of the individuals involved. President Ford is an announced candidate for the Republican presidential nomination for 1976. Former Governor Reagan has authorized a political committee (within the meaning of that term as defined in 18 U.S.C. §591(d)) and, arguably, may be a candidate for the Republican presidential nomination. Therefore, the cost of the type of activities described in this request might well be considered an expenditure by either presidential candidate and attributable, in whole or in part, to his expenditure limitation under 18 U.S.C. §608(c). While there may be some carryover effect to the presidential campaigns of both individuals, the General Counsel is of the opinion that these expenses should be attributed solely to the Wyman senatorial campaign. There are approximately three weeks remaining until the September 16th special election. The timing of these visits raises the presumption that these visits are likely to have maximum effect on the more proximate election rather than on the 1976 presidential election, nominating convention or March 2 New Hampshire primary election. It must be emphasized that this analysis pertains only to this particular set of circumstances and is not to be construed as applicable to other campaign activity engaged in by presidential candidates.

2. Computation

(a) Services. To the extent that either President Ford or former Governor Reagan volunteers his unreimbursed time on behalf of the Wyman candidacy the character of such activity will be considered "services provided without compensation" by individuals who volunteer a portion . . . of their time



on behalf of a candidate"; thus the value of such services will not be a contribution within the definition of 18 U.S.C. §591(e).

(b) Travel and living expenses. All travel and living expenses attributable to the Reagan and Ford visits to New Hampshire must be computed as part of the amount contributed by those individuals or their committees to the Wyman candidacy. To the extent that such expenses are unreimbursed, the five hundred dollar (\$500) exemption set out in 18 U.S.C. §591(e)(5)(D) is applicable. Any unreimbursed amount in excess of \$500 expended on travel and living expenses by either President Ford or ex-Governor Reagan will, of course, constitute contributions to which the limitations of 18 U.S.C. §608(b) apply. Any amounts so contributed will, of course, also be considered expenditures made by or on behalf of the Wyman candidacy and counting toward the candidate's overall spending limitation.

The General Counsel recognizes that the foregoing rule, which attributes all portal to portal (and return) travel expenses toward the individual's contribution limits may, in the case of an individual who resides some distance from the candidate's jurisdiction, restrict that individual's capacity to volunteer his or her services to that candidate. Nevertheless, this office believes that such a rule will promote volunteer participation at the local level which is certainly a countervailing consideration implicit throughout the 1974 Amendments. Moreover, the plain language of the statute requires the conclusion that "unreimbursed travel" under 18 U.S.C. §591 means any travel in behalf of a candidate.

Presidential expenditures in connection with such a visit provide unique problems of attribution. It would be illogical, and unnecessarily restrictive, to require the attribution of the actual cost of a presidential campaign foray. Hence, only the equivalent commercial rates will be chargeable against an incumbent President's individual contribution limitations and against the candidate's overall expenditure limitation. Expenses for accompanying staff personnel will be charged against the foregoing limitations only if such staff personnel serve primarily as advance persons or other campaign staff members and do not provide support services to the Office of the President. Additionally, special costs



attendant upon Ford's office as President, such as the Secret Service, police and medical attention, are not to be included within this amount. These costs are relatively fixed and are related to Ford's position as President and not to his political function as head of his party.

Finally, if travel, living or any other non-exempt expenses incurred by either President Ford or ex-Governor Reagan during his proposed New Hampshire trip, are reimbursed by a political party, such reimbursement may be characterized by that political party as either a contribution to the candidate under 18 U.S.C. §608(b) or as a party expenditure under 18 U.S.C. §608(f). To the extent that such amounts are characterized and reported as party expenditures under 18 U.S.C. §608(f), they will not count toward the candidate's overall expenditure ceiling.

3. Independent expenditures

The fourth question raised in this request is "[h]ow to avoid accepting these contributions?" The cost of these trips would not be considered a contribution to or an expenditure on behalf of the Wyman campaign only if the trips do not have the effect of influencing the senatorial race in New Hampshire. If Mr. Wyman does not appear with the individuals and disavows their visits and if the individuals involved assume the cost of the trip, the expenses might be considered an independent expenditure by the individuals limited to \$1,000 under 18 U.S.C. §608(e).

Please bear in mind that this letter is to be regarded as only the opinion of the General Counsel and does not constitute a policy decision or advisory opinion of the Commission. Any interpretation or ruling contained herein is limited to the facts of the request. The Commission has been made aware of the opinion and has voiced no objection.

Sincerely yours,

John G. Murphy, Jr.
General Counsel



THE WHITE HOUSE
WASHINGTON

Barry brought
this over



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 26, 1975

MEMORANDUM TO: The Commissioners
FROM: Jack Murphy *jm*

Attached please find OC 1975-48 for your review
subject to the two-day rule. It will be listed on the
agenda for Thursday, August 28, 1975.

Attachment



August 12, 1975

John G. Murphy, Jr.

This letter is our request for a Counsel's opinion on a series of questions. These arise from anticipated circumstances in the campaign to elect Mr. Louis Wyman in the Special Senate election in New Hampshire on September 16, 1975.

President Ford and former Governor Reagan may travel to New Hampshire. While here, they may hold rallies, press conferences and attend public meetings, On these occasions they may appear with Lou Wyman and endorse his candidacy. Their expenses will not be paid by the Wyman for Senate Committee which is the principal campaign committee for him.

Our questions are (1) does this constitute a contribution in kind to the Wyman campaign? If so, (2) how is that contribution to be computed? (3) Does their travel to and from New Hampshire count, and (4) what does a candidate do to avoid accepting this kind of contribution under the law?

We would appreciate your prompt response since decisions are being made daily which affect the points raised in this letter.

George Young
Campaign Chairman



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

OC 1975-48

Mr. George Young
Wyman-for-Senator Committee
Concord, New Hampshire

Dear Mr. Young:

This letter is in response to your request dated August 12, 1975, for an opinion of counsel. In your request you state that "President Ford and former Governor Reagan may travel to New Hampshire. While [there] they may hold rallies, press conferences and attend public meetings. On these occasions they may appear with Louis Wyman and endorse his candidacy. Their expenses will not be paid by the Wyman-for-Senate Committee which is [the candidate's] principal campaign committee."

The questions you pose are:

1. Does this constitute a contribution-in-kind to the Wyman campaign? If so:
2. How is that contribution to be computed?
3. Does their travel to and from New Hampshire count?
4. What does a candidate do to avoid accepting this kind of contribution under the law?

Each of these issues is addressed below.

1. Characterization of activities

The cost of the described activities will be a contribution-in-kind subject to the appropriate contribution limitations in 18 U.S.C. §608(b), if the actual expenses are assumed by an individual or by a political committee other than the national or state Republican party committee.



Such contribution will also be attributed to the Wyman campaign expenditure limitation set out in 18 U.S.C. §608(c).

If, however, either party committee assumes such expenses, the cost of the trip may be either a contribution-in-kind or an expenditure by the party under 18 U.S.C. §608(f). The Federal Election Campaign Act Amendments of 1974 established a separate expenditure limitation for political parties; under 18 U.S.C. §608(f), the national and the state Republican party committees are each entitled to spend \$20,000 in the Wyman campaign. If the party and the candidate agree, the cost of this trip may be treated as an expenditure under 18 U.S.C. §608(f), rather than as a contribution-in-kind to, and expenditure by, the Wyman campaign.

A further question arises because of the political status of the individuals involved. President Ford is an announced candidate for the Republican presidential nomination for 1976. Former Governor Reagan has authorized a political committee (within the meaning of that term as defined in 18 U.S.C. §591(d)) and, arguably, may be a candidate for the Republican presidential nomination. Therefore, the cost of the type of activities described in this request might well be considered an expenditure by either presidential candidate and attributable, in whole or in part, to his expenditure limitation under 18 U.S.C. §608(c). While there may be some carryover effect to the presidential campaigns of both individuals, the General Counsel is of the opinion that these expenses should be attributed solely to the Wyman senatorial campaign. There are approximately three weeks remaining until the September 16th special election. The timing of these visits raises the presumption that these visits are likely to have maximum effect on the more proximate election rather than on the 1976 presidential election, nominating convention or March 2 New Hampshire primary election. It must be emphasized that this analysis pertains only to this particular set of circumstances and is not to be construed as applicable to other campaign activity engaged in by presidential candidates.

2. Computation

(a) Services. To the extent that either President Ford or former Governor Reagan volunteers his unreimbursed time on behalf of the Wyman candidacy the character of such activity will be considered "services provided without compensation by individuals who volunteer a portion . . . of their time



on behalf of a candidate"; thus the value of such services will not be a contribution within the definition of 18 U.S.C. §591(e).

(b) Travel and living expenses. All travel and living expenses attributable to the Reagan and Ford visits to New Hampshire must be computed as part of the amount contributed by those individuals or their committees to the Wyman candidacy. To the extent that such expenses are unreimbursed, the five hundred dollar (\$500) exemption set out in 18 U.S.C. §591(e)(5)(D) is applicable. Any unreimbursed amount in excess of \$500 expended on travel and living expenses by either President Ford or ex-Governor Reagan will, of course, constitute contributions to which the limitations of 18 U.S.C. §608(b) apply. Any amounts so contributed will, of course, also be considered expenditures made by or on behalf of the Wyman candidacy and counting toward the candidate's overall spending limitation.

The General Counsel recognizes that the foregoing rule, which attributes all portal to portal (and return) travel expenses toward the individual's contribution limits may, in the case of an individual who resides some distance from the candidate's jurisdiction, restrict that individual's capacity to volunteer his or her services to that candidate. Nevertheless, this office believes that such a rule will promote volunteer participation at the local level which is certainly a countervailing consideration implicit throughout the 1974 Amendments. Moreover, the plain language of the statute requires the conclusion that "unreimbursed travel" under 18 U.S.C. §591 means any travel in behalf of a candidate.

Presidential expenditures in connection with such a visit provide unique problems of attribution. It would be illogical, and unnecessarily restrictive, to require the attribution of the actual cost of a presidential campaign foray. Hence, only the equivalent commercial rates will be chargeable against an incumbent President's individual contribution limitations and against the candidate's overall expenditure limitation. Expenses for accompanying staff personnel will be charged against the foregoing limitations only if such staff personnel serve primarily as advance persons or other campaign staff members and do not provide support services to the Office of the President. Additionally, special costs



attendant upon Ford's office as President, such as the Secret Service, police and medical attention, are not to be included within this amount. These costs are relatively fixed and are related to Ford's position as President and not to his political function as head of his party.

Finally, if travel, living or any other non-exempt expenses incurred by either President Ford or ex-Governor Reagan during his proposed New Hampshire trip, are reimbursed by a political party, such reimbursement may be characterized by that political party as either a contribution to the candidate under 18 U.S.C. §608(b) or as a party expenditure under 18 U.S.C. §608(f). To the extent that such amounts are characterized and reported as party expenditures under 18 U.S.C. §608(f), they will not count toward the candidate's overall expenditure ceiling.

3. Independent expenditures

The fourth question raised in this request is "[h]ow to avoid accepting these contributions?" The cost of these trips would not be considered a contribution to or an expenditure on behalf of the Wyman campaign only if the trips do not have the effect of influencing the senatorial race in New Hampshire. If Mr. Wyman does not appear with the individuals and disavows their visits and if the individuals involved assume the cost of the trip, the expenses might be considered an independent expenditure by the individuals limited to \$1,000 under 18 U.S.C. §608(e).

Please bear in mind that this letter is to be regarded as only the opinion of the General Counsel and does not constitute a policy decision or advisory opinion of the Commission. Any interpretation or ruling contained herein is limited to the facts of the request. The Commission has been made aware of the opinion and has voiced no objection.

Sincerely yours,

John G. Murphy, Jr.
General Counsel



THE WHITE HOUSE

WASHINGTON

August 27, 1975

MEMORANDUM FOR: JIM CONNOR

THROUGH: PHIL BUCHEN *ly Rall*

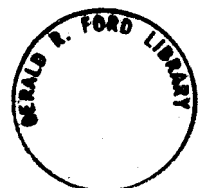
FROM: BARRY ROTH *BR*

SUBJECT: Additional Questions Related to Presidential Travel

In addition to the question of apportionment of travel expenses relating to mixed political-official travel on Presidential aircraft, there are several related issues which are now being considered, but for which no immediate decision is necessary. The purpose of this memorandum is to briefly bring you up-to-date on the status of these other issues.

(1) Travel by "non-official" or "non-political" guests aboard Presidential aircraft. We believe that guests who are present on Air Force One for either an official or political purpose can be treated in accordance with other travelers of a similar purpose, with the appropriate political committee paying in the latter case. A separate issue is presented by guests who traditionally have been present for other reasons, e.g., families of White House staff or personal friends of the First Family. As long as these persons do not in any way participate in a political activity, or their presence on the plane could not be viewed as a "political" favor, then this question is not really one for the FEC, but for the IRS.

It is our office's understanding that IRS has not publicly ruled on the tax consequences of guests aboard the Presidential aircraft. We understand that an informal response from Treasury is anticipated. Pending such a ruling, no firm policy with respect to such guests can be developed.

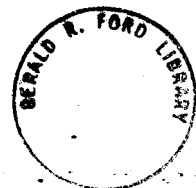


(2) Expenditures by the RNC for the President and Vice President as heads of the party. In an August 7 letter to FEC Chairman Curtis, Philip Buchen indicated that (a) the two national political committees have traditionally undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as heads of their political parties; (b) the RNC has made such expenditures during the present and prior Administrations; (c) Buchen has requested the RNC General Counsel to contact the FEC directly in this regard; and (d) such expenditures by the RNC are included within their quarterly reports of receipts and expenditures which are filed with the FEC, the Clerk of the House and the Secretary of the Senate.

On August 15, the RNC counsel wrote to Chairman Curtis, at Buchen's request, that the RNC was drafting "a communication" to the FEC on these expenditures, which would be transmitted to them no later than September 12.

(3) The Press charter plane. As you are aware, it has been traditional for the White House Travel Office to arrange transportation for the press to accompany the President on all trips, whether they are official or political in nature. This has been considered not only by ourselves but by the press to be a non-political and non-candidate related activity. On August 7, Philip Buchen advised Chairman Curtis of the existence of the so-called press travel account, the purposes for which it was used, and invited the Chairman to have FEC officials review the records of this account as it deemed appropriate. For this reason, we believe it is unnecessary to again approach the FEC at this time with respect to the charter plane. The collateral issue of travel by the press office staff on this plane will be raised with the FEC in our letter to them on travel expenses.

Several other issues are now being examined with respect to this plane. For example, the variable rate structure used by the travel office in which there has been a special family rate for families of the press and White House staff, a coach fare rate for some persons, a first-class rate for still others with the remainder paid on a pro rata basis. We are also looking into the possibility of lumping the costs for the press aboard AF-1 and the charter plane in order that they each pay the same rate. Administratively, this is desirable as the press pool aboard



AF-1 changes from stop to stop. We will have a paper for you on this matter shortly.

(4) The White House Conferences. This office is also examining the means by which private funds are used for the White House conferences. It may become necessary in the near future to seek an advisory opinion from the FEC on how these conferences are being handled in terms of local sponsors which now include the AFL-CIO, the Chamber of Commerce and the Urban League.



THE WHITE HOUSE

WASHINGTON

August 27, 1975

MEMORANDUM FOR: JIM CONNOR

THROUGH: PHIL BUCHEN *by Phil*

FROM: BARRY ROTH *BR*

SUBJECT: Additional Questions Related to Presidential Travel

In addition to the question of apportionment of travel expenses relating to mixed political-official travel on Presidential aircraft, there are several related issues which are now being considered, but for which no immediate decision is necessary. The purpose of this memorandum is to briefly bring you up-to-date on the status of these other issues.

(1) Travel by "non-official" or "non-political" guests aboard Presidential aircraft. We believe that guests who are present on Air Force One for either an official or political purpose can be treated in accordance with other travelers of a similar purpose, with the appropriate political committee paying in the latter case. A separate issue is presented by guests who traditionally have been present for other reasons, e. g., families of White House staff or personal friends of the First Family. As long as these persons do not in any way participate in a political activity, or their presence on the plane could not be viewed as a "political" favor, then this question is not really one for the FEC, but for the IRS.

It is our office's understanding that IRS has not publicly ruled on the tax consequences of guests aboard the Presidential aircraft. We understand that an informal response from Treasury is anticipated. Pending such a ruling, no firm policy with respect to such guests can be developed.



(2) Expenditures by the RNC for the President and Vice President as heads of the party. In an August 7 letter to FEC Chairman Curtis, Philip Buchen indicated that (a) the two national political committees have traditionally undertaken certain expenditures in furtherance of party goals for activities by the President and Vice President as heads of their political parties; (b) the RNC has made such expenditures during the present and prior Administrations; (c) Buchen has requested the RNC General Counsel to contact the FEC directly in this regard; and (d) such expenditures by the RNC are included within their quarterly reports of receipts and expenditures which are filed with the FEC, the Clerk of the House and the Secretary of the Senate.

On August 15, the RNC counsel wrote to Chairman Curtis, at Buchen's request, that the RNC was drafting "a communication" to the FEC on these expenditures, which would be transmitted to them no later than September 12.

(3) The Press charter plane. As you are aware, it has been traditional for the White House Travel Office to arrange transportation for the press to accompany the President on all trips, whether they are official or political in nature. This has been considered not only by ourselves but by the press to be a non-political and non-candidate related activity. On August 7, Philip Buchen advised Chairman Curtis of the existence of the so-called press travel account, the purposes for which it was used, and invited the Chairman to have FEC officials review the records of this account as it deemed appropriate. For this reason, we believe it is unnecessary to again approach the FEC at this time with respect to the charter plane. The collateral issue of travel by the press office staff on this plane will be raised with the FEC in our letter to them on travel expenses.

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THE WHITE HOUSE

WASHINGTON

August 27, 1975

MEMORANDUM FOR THE PRESIDENT

THROUGH: DONALD RUMSFELD

FROM: JAMES E. CONNOR

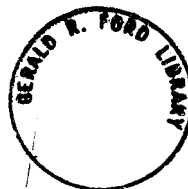
SUBJECT: ALLOCATION OF TRIP COSTS

This memorandum discusses approaches to allocating trip costs among Presidential, Party-Political, and Campaign accounts and proposes a method for allocating such costs through the election.

BACKGROUND

The problem of determining whether a particular trip is for official or political purposes is perennial. On a slow day a reporter can always produce a story by asking how much a trip cost, who paid for it and by hinting that it should have been done another way. During election years, the problem expands as the volume, importance and political sensitivity of travel increases. This year the problem is even more pronounced than usual as we begin to operate under the provisions of the new Federal Election Law. For the first time, it is necessary to distinguish not only between political and official trips, but within the former category between those trips which are for Party purposes and those trips which are for purposes of candidacy. The issue is further complicated by legal restrictions and financial limitations. The contributions and spending ceilings limit the resources available to the President for travel during the campaign.

Precedent unfortunately does not provide much help in establishing procedures for this year because previous approaches did not take into account the new election law. They evolved at a time when there was less open hostility on the part of the press, and they were constrained only by the amount of money that could be raised, rather than by the amount that could be spent.



DISCUSSION

Several different criteria must be considered in evaluating methods for allocating trip costs. The key ones are:

- ...Is it legal, i.e., does it meet fully the requirements of the new campaign law?
- ...Is it publicly defensible, i.e. will it be seen to be in accord with the spirit as well as the letter of the law?
- ...Is it financially tolerable, i.e., will it permit the President to carry on a full schedule of travel over the next year without running up against spending limits?

There is an obvious tradeoff between these last two criteria. Methods which are easy to defend publicly are expensive financially and would necessitate curtailment of Presidential travel in order to stay within spending limits. Conversely, those approaches which are least burdensome financially are also those which are most open to public criticism. They deviate from at least the spirit, if not the letter, of the Campaign Reform Act. An example of the defensible approach with financial limitations would be the all-or-nothing method adopted by President Nixon. Under this method, if any part of a trip was political, then the entire cost of the trip was paid from political funds. This approach is clearly quite defensible from the public viewpoint, but the drain on the campaign treasury is so great that the President would hardly be able to travel at all during the course of the next year. Lyndon Johnson, on the other hand, adopted an approach which is financially quite attractive. This approach, called the "last stop method" permitted official funding of a trip through the last official stop before a political event and then required political funding for the remainder of the trip. Thus, for example, the President could fly to the West Coast for official purposes and then carry out a number of political activities on his return. Only half the cost of the trip, that of the return leg, would be charged to political purposes. The attractiveness of such an approach, of course, is directly related to the degree to which it is manipulated in order to reduce the charges to political accounts by transferring them to official accounts. The potential for manipulation, however, is obvious to everyone, and thus if this approach were to be adopted, and even though it were legal, it would be likely to result in severe public criticism as a deviation from the spirit of the Campaign Reform Act.



SUGGESTED APPROACH

In searching for a formula to meet all three criteria, staff has determined that the method developed by Bill Seidman for you while Vice President provides a good starting point. This approach, called the "round trip method" entails computation of costs for the political sectors of a multi-stop trip. An example might help to clarify it. The President has a trip from Washington to San Francisco for official purposes. He then goes to Los Angeles for political purposes and returns via St. Louis for official purposes. The round trip method would charge political funds for a trip from Washington to Los Angeles and return to Washington, even though there was no direct Washington to Los Angeles leg on the flight. Such an approach would put considerably less of a burden on the political accounts than the "all or nothing" method, yet would be much less vulnerable to criticism than the "last stop" method.

A further refinement to the "round trip" method has been developed by staff. We call this method pro-rating. Again, an example might help. Air Force One has approximately 50 seats and costs about \$2200 per hour to operate. Thus, air fare per passenger on Air Force One would come to about \$44.00 per hour. On every Presidential trip, 12 of the seats on Air Force One are occupied by Secret Service Personnel, Military Aides, the Physician, and WHCA personnel. These people travel with the President to protect him and to support him in his role as Commander-in-Chief. We propose that the costs of transporting them on any trip whether it be political or official be absorbed by DOD, thus reducing the costs to a political committee of the use of Air Force One from \$2200 per hour to less than \$1700 per hour. In addition, it has been customary for some members of the press to travel on Air Force One. They pay their own way on such trips, whether official or political. We propose that the number of press travelling on Air Force One be expanded substantially, thus further defraying the costs of operating the airplane. If the number of White House staff travelling with the President could be held to a minimum, 10 for example, and the remaining seats allocated to the press, the charge to a campaign committee or to the Republican National Committee for the use of Air Force One could be reduced to \$440 per hour, or one-fifth of the present costs of operating the aircraft. This approach appears to be both financially attractive and publicly defensible. It is essentially the approach used by non-incumbent candidates when they charter an aircraft for campaign purposes. In that event the Secret Service pays for the seats that it occupies on the plane and the press defrays a considerable portion of the costs as well.




The major difficulty with this approach would be in holding the number of passengers who travel at the expense of the political committee to a minimum. One way would be to identify some members of the White House Office who travel with the President as travelling for official purposes. David Kennerly, Nell Yates, Terry O'Donnell and Don Rumsfeld, for example, might be defined as travelling with you because you are the President, and they must carry out duties to support you as President no matter what purpose the trip itself may have. The costs of their travel on Air Force One could thus be defrayed by DOD. Although financially attractive, this approach may be open to criticism because some or all of those individuals may also be engaging in activities which could be construed as political. For that reason we propose that all members of the White House staff who travel with you on a political trip be charged to political accounts. In order to keep costs under control, we would propose that this category of traveller be sharply limited over the next year. A maximum of ten from the White House Office, including yourself, could be set for Air Force One. The full group would include yourself, Rumsfeld or Cheney, Nessen, Hartmann, O'Donnell, Cavaney, Kennerly and Nell Yates. If a second secretary were to be provided, this would leave only two other slots which would be used either for White House staff or for guests you may choose to invite. There would obviously be an enormous amount of internal pressure to expand the list. Travel on Air Force One is considered by many to be one of the best "perks" around. Nevertheless, if we are to maintain any kind of control of costs, a maximum number must be set and firmly defended.

The "round trip" method and prorating has been discussed with a number of your advisers. They concur with the approach in terms of public defensibility as well as financial feasibility. Bob Hartmann expressed concern that an approach which restricted the number of guests the President might take with him on a trip might be undesirable. Bo Callaway indicated that he was strongly in favor of such limitations, primarily for financial reasons and indicated that he would be willing on campaign oriented trips to take the heat for saying "no" to individuals who wished to travel along with the President at the expense of the campaign committee.

OPEN ISSUES

There are three significant issues related to Presidential travel which have not yet been resolved. These are:

The status of guests on board Air Force One. Bill Simon said this issue should be resolved within Treasury shortly



after Labor Day. The issue does not involve the Campaign Reform Act, but rather IRS concerns about the tax treatment of guest travel on the airplane.

RNC support for the President. This support, which runs to about \$750,000 per year is used for several things, but for the purposes of this memorandum one is most important, i. e. the extent to which RNC pays expenses for Advance staff working on official trips. RNC has customarily paid expenses for Advance staff on both political and official trips. The reasoning is that even on official trips, many of the activities of the Advance staff, for example crowd raising, are not suitable for the expenditure of appropriated funds. There are several sticky issues. For example, now that you are a candidate, should these funds be considered a part of the limitation on contributions to your campaign effort? Moreover, even if they are not considered a contribution, is it appropriate for the RNC to support you but not another candidate such as Reagan?

RNC will soon go to the FEC for a ruling on this issue. They will argue strongly that such support is traditional for a political party to give to a President of the same party. They can document this over the past several years, during election as well as non-election years. It is also argued that the Democratic National Committee does the same, and would be interested in continuing this practice. Should the Federal Elections Commission, however, rule against this kind of support, we will have an extremely serious problem and will have to radically revise the approach we take to Presidential advances. Based on recent FEC advisory opinions, an adverse ruling is a definite probability.

Salaries of Officials Travelling with you for Political Purposes.

This issue has two aspects. First, is it appropriate for such officials to engage in political activities when they are on the public payroll? This issue concerns not only FEC, but GAO, which determines the suitability of expenditures of appropriated funds. Based on the failure of GAO to question such expenditures in the past, as well as the dual political and official rule the President has under the Constitution, and Congress' recognition of this fact in exempting the White House staff from the political management prohibitions of the Hatch Act, Counsel's office believes that we need not apportion the salaries of officials between the time spent on political and purely official activities. Although they are continuing to study this issue, Phil Buchen recommends that we not contact GAO at this time. It appears that this issue will not be a significant problem.



A second aspect of the issue concerning the FEC, however, is less clear. Even if the salaries can be expended for activities which are political, there remains a possibility that such expenditures could arguably be attributed to the limitations on campaign expenditures allowed to a candidate, as they would be, for example, if the individual worked for a private company. Based on recent advisory opinions given by the FEC, Counsel's office believes that the FEC will not consider such expenditures within the spending limitations. Counsel's office, along with the PFC, recommends that we notify the FEC at the same time we write them on apportionment of Presidential travel expenditures, that we do not intend to apportion salaries.

DECISIONS

1. Should the round trip cost method be adopted as the basic technique for allocating costs among official, party and campaign trips?

Yes ☒

No ☐

2. In addition, should the prorata share method be used to apportion costs to official, political and press travellers?

Yes ☒

No ☐

3. If so, should an effort be made to maximize the number of press using AF 1?

Yes ☒

No ☐

*consult with Messen and see if can
frustrate press*

4. Should a ceiling be set on the number of political travellers using Air Force 1 on trips funded by the PFC?

Yes ☒

No ☐

5. If so, what should that ceiling be?

<u>Percent</u>	<u>No.</u>	<u>Cost to PFC</u>
20%	(10)	\$440/hr
30%	(15)	\$660/hr
40%	(20)	\$880/hr
50%	(25)	\$1320/hr

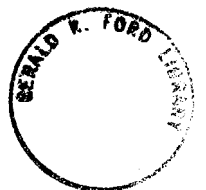


✓?

NEXT STEPS

If you approve the proposals contained in this memorandum, three steps will be taken immediately.

1. Phil Buchen will prepare materials and develop an approach to deal with the FEC in order to ensure that our proposals are acceptable within the constraints of the Campaign Reform Act.
2. Ron Nessen will develop a press plan in order to ensure that our approach is explained fully and effectively.
3. On the basis of the policy decisions you make, minor issues not covered in this memorandum will be resolved.



PRESIDENT OF THE UNITED STATES TRAVEL - SOURCE OF FUNDS

PROPOSAL 3

POTUS: Official trip as President
RNC: Political trip for Party
PFC: Political trip as candidate

TRAVEL EXPENSE ITEM

TYPE OF TRAVELER	AIRCRAFT	Travel Expenses (hotel, meals & air fare)	COMMUNICATIONS	AUTOMOBILE RENTALS INCLUDING MOTORCADE	MISCELLANEOUS
<u>WHO ADVISERS</u> (RUMSFELD, HARTMANN, CHENEY, MARSH, ETC.) and <u>WHO SUPPORT STAFF</u> (O'DONNELL, KENNERLY, YATES, SECRETARIES AND OTHER WHO-PAID SUPPORT STAFF)	POTUS: DOD pays cost; no bill to adviser RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: WHO pays RNC: RNC pays PFC: PFC pays	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public address system and assoc- iated power paid for by PFC	POTUS: Staff cars paid by WHO. Motorcade* cars paid by WHO RNC: Paid by RNC PFC: Paid by PFC *Motorcade cars to be re- placed by minibus	POTUS: Paid by WHO unless exceeds per diem, then advisers pays personally RNC: Paid by RNC PFC: Paid by PFC
<u>SUPPORT STAFF EXCLUDING WHO-PAID STAFF</u> (USSS AGENTS, PHYSICIAN, WHCA PERSONNEL, MILITARY AIDES, ETC.)	POTUS: DOD pays cost; no bill to staff RNC: DOD pays cost; no bill to staff PFC: DOD pays cost; no bill to staff	POTUS: Per diem for support staff paid by respective agency RNC: Per diem for support staff paid by respective agency PFC: Per diem for support staff paid by respective agency		POTUS/RNC/PFC: Paid by respective USG agency	POTUS/RNC/PFC: Paid by respective USG agency unless exceeds per diem, then staff member pays personally
<u>ADVANCE STAFF</u> (CAVANEY, AND OTHER WHO-PAID STAFF AND VOLUNTEERS)	POTUS: DOD pays cost; no bill to advancement RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: Actual costs reimbursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC		POTUS: Paid by RNC RNC: Paid by RNC PFC: Paid by PFC	POTUS: Actual costs reim- bursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC
<u>PRESS</u> (POOL PERSONNEL ACCOMPANYING PRESIDENT)	POTUS/RNC/PFC: WHO Travel Office bills press pro rata share and forwards payment to DOD	POTUS/RNC/PFC: WHO Travel Office pre-registers press in all hotels with press billed direct for all hotel and meal costs		POTUS/RNC/PFC: WHO Travel Office bills press pro rata share of cost for bus rental for motorcades	POTUS/RNC/PFC: Press pay all miscellaneous costs

Guest situation - status ~~memo~~ ^{memo}

Salaries of WH staff

- VIS-a-VIS GAO

" " FEC (and copy of
senatorial staff
personnel)

RNC support for President
on official trips - status memo

Press pool Charter
plan

Who press personnel
on Press plane

Non-press people on press plane



#1

POTUS: Official trip as President
RNC: Political trip as head of RNC
PFC: Political trip as candidate

TRAVEL EXPENSE ITEM

TYPE OF TRAVELER	AIRCRAFT	TRAVEL EXPENSES (HOTEL, MEALS) (AIR, FARE)	COMMUNICATIONS	AUTOMOBILE RENTALS INCLUDING MOTORCADE	MISCELLANEOUS
<u>WHO ADVISERS</u> (RUMSFELD, HARTMANN, CHENEY, MARSH, ETC.) and <u>WHO SUPPORT STAFF</u> (O'DONNELL, KENNERLY, YATES, SECRETARIES AND OTHER WHO-PAID SUPPORT STAFF)	POTUS: DOD pays cost; no bill to adviser RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: WHO pays <i>travel expenses</i> RNC: RNC pays " " PFC: PFC pays " "	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public address system and assoc- iated power paid for by PFC	POTUS: Staff cars paid by WHO. Motorcade* cars paid by <i>WHO</i> RNC: Paid by RNC PFC: Paid by PFC *Motorcade cars to be re- placed by minibus	POTUS: Paid by WHO unless <i>exceeds</i> per diem, then advisers pays personally RNC: Paid by RNC PFC: Paid by PFC
<u>SUPPORT STAFF EXCLUDING WHO-PAID STAFF</u> (USSS AGENTS, PHYSICIAN, WHCA PERSONNEL, MILITARY AIDES, ETC.)	POTUS: DOD pays cost; no bill to staff RNC: DOD pays cost; no bill to staff PFC: DOD pays cost; no bill to staff	POTUS: Per diem for support staff paid by respective agency RNC: Per diem for support staff paid by respective agency PFC: Per diem for support staff paid by respective agency		POTUS/RNC/PFC: Paid by respective USG agency	POTUS/RNC/PFC: Paid by respective USG agency unless <i>exceeds</i> per diem, then staff member pays personally
<u>ADVANCE STAFF</u> (CAVANEY, AND OTHER WHO-PAID STAFF AND VOLUNTEERS)	POTUS: DOD pays cost; no bill to advancement RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: Actual costs reimbursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC		POTUS: Paid by RNC RNC: Paid by RNC PFC: Paid by PFC	POTUS: Actual costs reim- bursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC
<u>PRESS</u> (POOL PERSONNEL ACCOMPANYING PRESIDENT)	POTUS/RNC/PFC: WHO Travel Office bills press pro rata share and forwards payment to DOD	POTUS/RNC/PFC: WHO Travel Office pre-registers press in all hotels with press billed direct for all hotel and meal costs		POTUS/RNC/PFC: WHO Travel Office bills press pro rata share of cost for bus rental for motorcades	POTUS/RNC/PFC: Press pay all miscellaneous costs

THE WHITE HOUSE

WASHINGTON

August 7, 1975

MEMORANDUM

Apportionment of Expenditures for Mixed Political and
Official Trips of the President of the United States

In the coming months, the President will be travelling in three different capacities, as President of the United States, as titular head of the Republican Party, and as a candidate for President. In terms of both the Federal election campaign laws, and the public's perception of the President's use of official resources, it is imperative that costs relating to political travel be borne by the appropriate political committee, i.e., the President Ford Committee or the Republican National Committee. It is equally important that the political committee not be required to pay the cost of official travel. To satisfy both of these concerns, it is proposed that payment of the Presidential travel expenses be handled in accordance with the chart attached at Tab A and described below.

Travel Aboard Presidential Aircraft

Whenever a Presidential trip has a mixed official and political purpose, it is necessary that the appropriate political committee be charged for the pro rata share of the cost of the political portion of the trip. This can best be accomplished by the political committee paying its pro rata share of flight costs calculated under the round trip air fare formula. Under this formula, the political stops are isolated from official stops in order to establish the hypothetical political trip that would have been made if the President did not have the responsibilities of his office. For the purpose of this formula, a political stop occurs whenever a particular stop includes a publicized or non-private event, e.g., fund raisers, rallies, conventions, etc. A stop is not considered to be political when the President merely meets, incidental to an official event, with political figures in an informal and unpublicized meeting, e.g., a private breakfast with a local political figure or greeting a small group of local politicians.



Once the political portion of the trip has been identified, the Department of Defense calculates the political costs of the trip, on the basis of the roundtrip flying time between Washington, D. C. and the political cities, in accordance with the hourly rate schedule for military aircraft attached at Tab B. For example, if the President were to go on a mixed purpose trip to ten cities, of which only three stops were political, the cost of the plane and helicopters, if any, would be determined by the flying time from Washington to these three cities in the order travelled, and return to Washington. DOD will then bill the political committee for its pro rata share of the total cost of this trip, based on the percentage of passengers who are considered to be political.

For this purpose, political travelers include the President and First Family, White House advisors (Rumsfeld, Hartmann, Marsh, Buchen, Nessen, etc.), White House support staff (O'Donnell, Kennerly, Yates, etc.), the Advance Staff, and any political officials accompanying the President (Callaway, Burch, Packard, etc.). On the other hand, the political committee is not required to pay the cost of travel for support personnel from agencies other than the White House who travel with the President as part of their official duties (e.g., Secret Service, military aides, physician, etc.). Since these persons are flying on governmental aircraft on official business, this is not a political expense, and there is no need to reimburse the government for such official costs. The press pool flying on Presidential aircraft must pay their own way, regardless of the nature of the trip, and will be billed by DOD for their pro rata share of the cost of the entire trip.

Per Diem - Hotels and Meals

Per diem for travelers on mixed trips must also be handled in a way that the appropriate political committee pays for all costs related to the political portion of a trip. Thus, the political committee is to pay the per diem costs for the White House advisors and support staff accompanying the President if the purpose of the stop is either solely political or mixed. The only exception is for White House support staff, such as Ray Zook, who are present to make arrangements to transport the press. The press spokesmen (e.g., Nessen, Greener, Speakes, etc.) are to be treated as political travelers during any political stops.



Expenses for advancement will continue to be paid by the appropriate political committee. Expenses for non-White House support staff who are present as part of their official duties will continue to be paid by their respective agencies. The White House travel office makes arrangements for hotel rooms, etc., for the press who are then billed directly for these items. In no case will any costs attributable to a political purpose be paid for with appropriated funds, e.g., a private breakfast with local political figures.

Communications, Motorcades, Automobile Rentals and Miscellaneous

These items are all readily identifiable as to their purpose and are to be paid by the Government in the case of official stops, and by the appropriate political committee in the case of political stops. Motorcade cars or minibuses for White House advisors and support staff on official stops will continue to be paid from political funds as local political figures frequently ride in the motorcade, on such official stops. This will limit the possibility of any criticism resulting from the use of appropriated funds for this purpose.

Matters to Present to the Federal Election Commission

It is recommended that an advisory opinion from the Federal Election Commission (FEC) be requested on behalf of the President and Vice President to confirm that appropriated funds spent for official purposes do not count towards any campaign spending limitations. In addition, a letter should be sent to the FEC for its information, to explain the pro rata roundtrip air fare formula to be used for apportioning the costs of mixed purpose trips.

The Republican National Committee is now in the process of contacting the FEC with respect to the expenditures traditionally undertaken by the two national political committees in furtherance of party goals and activities by the President and Vice President as titular heads of their political parties. It is, therefore, unnecessary for the White House to raise this question with the FEC at this time.

PRESIDENT OF THE UNITED STATES TRAVEL - SOURCE OF FUNDS

PROPOSAL 3

POTUS: Official trip as President
RNC: Political trip as head of RNC
PFC: Political trip as candidate

TRAVEL EXPENSE ITEM

TYPE OF TRAVELER	AIRCRAFT	PER DIEM (HOTEL & MEALS)	COMMUNICATIONS	AUTOMOBILE RENTALS INCLUDING MOTORCADE	MISCELLANEOUS
<u>WHO ADVISERS</u> (RUMSFELD, HARTMANN, CHENEY, MARSH, ETC.)	POTUS: DOD pays cost; no bill to adviser RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: WHO pays per diem RNC: RNC pays per diem PFC: PFC pays per diem	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public address system and assoc- iated power paid for by PFC	POTUS: Staff cars paid by WHO. Motorcade* cars paid by RNC. RNC: Paid by RNC PFC: Paid by PFC *Motorcade cars to be re- placed by minibus	POTUS: Paid by WHO unless falls within per diem, then advisers pays personally RNC: Paid by RNC PFC: Paid by PFC
<u>WHO SUPPORT STAFF</u> (O'DONNELL, KENNERLY, YATES, SECRETARIES AND OTHER WHO-PAID SUPPORT STAFF)	POTUS: DOD pays cost; no bill to staff RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: WHO pays per diem RNC: RNC pays per diem PFC: PFC pays per diem	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public address system and assoc- iated power paid for by PFC	POTUS: Staff cars paid by WHO. Motorcade* cars paid by RNC. RNC: Paid by RNC PFC: Paid by PFC *Motorcade cars to be replaced by minibus	POTUS: Paid by WHO unless falls within per diem, then staff member pays personally RNC: Paid by RNC PFC: Paid by PFC
<u>SUPPORT STAFF EXCLUDING WHO-PAID STAFF</u> (USSS AGENTS, PHYSICIAN, WHCA PERSONNEL, MIL- ITARY AIDES, ETC.)	POTUS: DOD pays cost; no bill to staff RNC: DOD pays cost; no bill to staff PFC: DOD pays cost; no bill to staff	POTUS: Per diem for support staff paid by respective agency RNC: Per diem for support staff paid by respective agency PFC: Per diem for support staff paid by respective agency	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public ad- dress system and associated power paid for by PFC	POTUS/RNC/PFC: Paid by respective USG agency	POTUS/RNC/PFC: Paid by respective USG agency unless falls within per diem, then staff member pays personally
<u>ADVANCE STAFF</u> (CAVANEY, AND OTHER WHO-PAID STAFF AND VOLUNTEERS)	POTUS: DOD pays cost; no bill to advance man RNC: DOD bills RNC for pro rata share of political round trip cost of aircraft PFC: DOD bills PFC for pro rata share of political round trip cost of aircraft	POTUS: Actual costs reim- bursed by RNC RNC: Actual costs reim- bursed by RNC PFC: Actual costs reim- bursed by PFC	POTUS: Provided by WHCA RNC: Lighting, public address system and assoc- iated power paid for by RNC PFC: Lighting, public address system and assoc- iated power paid for by PFC	POTUS: Paid by RNC RNC: Paid by RNC PFC: Paid by PFC	POTUS: Actual costs reimbursed by RNC RNC: Actual costs reimbursed by RNC PFC: Actual costs reimbursed by PFC
<u>PRESS</u> (POOL PERSONNEL ACCOMPANYING PRESIDENT)	POTUS/RNC/PFC: WHO Travel Office bills press pro-rata share and forwards payment to DOD	POTUS/RNC/PFC: Pre- registration arranged for all hotels for press handled by Zook's WHO Travel Office, but press are billed direct for all hotel and meal costs	POTUS/RNC/PFC: Press pay own communications cost on all trips. However, costs for lighting, public address and associated power are paid by USG for POTUS trips, and RNC and PFC for political trips.	POTUS/RNC/PFC: Zook of WHO Travel Office bills press for pro rata share of cost for bus rental for motorcades	POTUS/RNC/PFC: Press pay all miscellaneous costs

B

27000 (Air Force One) (VC-137C)

Cost per hour: \$2,204.00

White Top Helicopter (VH-3A)

Cost per hour: \$ 723.00

Huey Helicopter (VH-1N)

Cost per hour: \$ 262.00

[ca. 8/27/75]

Rowland Evans and Robert Novak

The President's Campaign Financing

President Ford intends to campaign this year without obeying stringent financial regulations imposed on all other presidential candidates by the new election law—an exercise in loophole-seeking which could land him in political and legal trouble.

The President's intentions became clear Aug. 18 and 19 when his six

“Although Mr. Ford is an announced candidate for President, his lawyers claim he is traveling politically this year as leader of the Republican Party, not as a candidate.”

THE WHITE HOUSE

WASHINGTON

August 29, 1975

*Political ?
H/E*

MEMORANDUM FOR: PHIL BUCHEN

FROM: BARRY ROTH *BR*

SUBJECT: Travel Aboard the Jet Star

The flight manifest for the trip to Maine this weekend was announced today by Ron Nessen. While the Jet Star will be paid for by the RNC, the DC-9 carrying support personnel is an official flight. Ron announced that Red Cavaney was to be on the DC-9. In view of the draft opinion by the FEC General Counsel on the Wyman request, I suggested to Jerry Jones that as an advanceman, Red should be treated as political, and therefore payment by the RNC for his DC-9 travel should be made, or he should be on the Jet Star for which the RNC is paying the full cost. Jerry indicated that Red will be switched with Terry on the Jet Star.



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

August 29, 1975

MEMORANDUM FOR: DONALD RUMSFELD
FROM: JAMES E. CONNOR *JEC*
SUBJECT: PRESS TRAVEL ON
AIR FORCE ONE

As you will remember, at our meeting with the President on allocation of travel costs, he asked to have us explore further the question of seating of the press on Air Force One.

Today Ron Nessen and I met with four senior reporters of the Press Corps. The following significant points were made:

1. The press indicated that they see no problem whatsoever with expanding the pool for campaign purposes.
2. They had no problem with the pool being a larger one on one trip than on another.
3. They were concerned, however, that for the same trip the pool remained the same, so that people could leave equipment and the like on the aircraft.
4. They suggested, however, that it would be much better for us to institute the pro-rata approach only for campaign trips rather than for RNC/political trips. They suggested that this would help in maintaining the distinction between the two types of trips. In general, they felt the round trip pro-rata method completely acceptable and defensible.
5. There may be a serious problem, they indicated, on treatment of Press Office staff on the back-up plane. They generally agreed that with the exception of the Alderson reporters, Press Office support staff would probably be seen as political.

cc: Ron Nessen, Phil Buchen, Jerry Jones, Barry Roth



THE WHITE HOUSE

WASHINGTON

August 29, 1975

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DONALD RUMSFELD

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JAMES E. CONNOR *JEC*

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cc: Ron Nessen, Phil Buchen, Jerry Jones, Barry Roth



August 29, 1975

To: Barry

From: Phil Buchen



WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Memo from Ron Nessen to Phip Buchen, 1 page (attached to memo from Phil Buchen to Barry, 8/29/1975)	8/26/1976	B

File Location:

Philip Buchen Files, Box 16, Folder: "Federal Election Commission - RNC and PFC Payment of Presidential Travel Expenses (2)" SMD - 10/9/2015

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PFC

THE WHITE HOUSE
WASHINGTON

August 29, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM CONNOR

THROUGH:

PHIL BUCHEN

J.W.B.

FROM:

BARRY ROTH BR

SUBJECT:

Travel by the President
Aboard Governmental Aircraft

You have inquired whether on the basis of current interpretations of the Internal Revenue Code, the President should be considered, at least on some trips, as a private traveler aboard Government aircraft. It is my understanding you have in mind a trip that is either primarily or partially for purposes of a vacation, for example, the recent trip to Vail.

The tax consequences of travel aboard Presidential aircraft were recently addressed with respect to former President Nixon. However, the only opinion that has been made public to date with respect to such travel is a staff report prepared by the Joint Committee on Internal Revenue Taxation. It should be noted that this report was publicly released, but never formally adopted by the Committee members. Although the IRS presumably studied this issue, its determinations with respect to Mr. Nixon have not been released.

The Committee staff report stated the following with respect to the same question you have raised:

"One question involves the issue of whether there should be an inclusion in income of any amount with respect to the President's own use of Government aircraft. Some of his use could be classified as primarily personal since the flights take him to locations where he spends a significant part of his time on vacation. However, it is also



pointed out that the President, by the nature of the office, must hold himself available for work at virtually any time. In part because of this characteristic of the Presidency and in part because of the uncertain status of such items in the past, the staff is not recommending that any amounts be included in income with respect to personal transportation of the President. In making this recommendation, the staff is not suggesting that this be foreclosed as a possible issue in the future."

Although the treatment to be afforded future Presidents is left open, the same reasons for the staff's conclusion at that time are applicable today. For example, the trip to Vail was actually a working vacation, and unlike other Government officials, the President can not "get away from it all" for even just a few days. From a legal standpoint, there is no reason to treat the cost of the President's own air travel to Vail as a personal expense.

The treatment of the costs for flights by non-official or non-political guests of the President, including the First Family, is a separate issue. On this point the Committee staff's conclusion was that such travel was income to the President in the amount of first class airfare for a comparable commercial trip. The result was the same regardless of whether the President was on the plane or not. Inasmuch as you anticipate an informal opinion early next month from Treasury on this entire question of travel aboard Governmental aircraft, we recommend that any decisions on how such travel is to be handled be made once we have reviewed this opinion.

