

FEC Permits Joint Venture's PAC to Disaffiliate

September 2009

At its open meeting on July 28, 2009, the Federal Election Commission (FEC) unanimously agreed to permit the federal political action committee (PAC) of Penske Truck Leasing Co., L.P., to disaffiliate from the federal PAC of the General Electric Company. The decision, in FEC Advisory Opinion 2009-18, came after General Electric's effective ownership of Penske Truck Leasing Co., L.P., a joint venture, fell below 50% and General Electric lost effective control of the joint venture. The joint venture is majority owned and controlled by entities related to the Penske Corporation. The joint venture's general partner is Penske Truck Leasing Corporation.

Disaffiliation is important for companies newly independent from former parents or those involved in substantial restructuring because the federal PACs of affiliated entities share contribution limits. The FEC uses a facts and circumstances test to determine affiliation and disaffiliation.

Penske Truck Leasing Co., L.P., its federal PAC and its general partner were represented in the advisory opinion process by Wiley Rein attorneys Carol Laham and Mark Renaud.

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