

U.S. companies and upcoming political party conventions 6 September 2019

With the November 2020, U.S. presidential election quickly approaching, and its outcome possibly having a far-reaching impact on American business, many U.S. firms are beginning to consider their engagement strategies for the upcoming political party conventions. The Democratic National Convention will be held in Milwaukee, Wisconsin, July 14-16, and later in the year, the Republican National Convention will be held August 24-27, in Charlotte, North Carolina. Both Wisconsin and North Carolina are considered important battle ground states in 2020, with President Donald Trump having won Wisconsin by less than one percent and North Carolina by about three and half percentage points in 2016.

For U.S. companies that decide to engage in either or both conventions, there are three key ways in which they can contribute and get involved — through the national political campaign committees, state and local party organizations, or non-party affiliated organizations. Whether a company works with a federal, state or local party committee, or a non-party affiliated organization, convention credentials, hotel rooms, and access to additional events are usually provided as part of a sponsorship package. Such contributions can generally be funded through either personal and Political Action Committees (PAC) contributions, or corporate contributions. However, it is critical to consider the laws that govern such contributions to ensure compliance and avoid legal scrutiny that could harm a company's reputation and cause significant legal jeopardy.

The first option is to support the political campaign committees associated with the national political parties. These committees generally offer various convention benefit packages in exchange for a political contribution. Contributions to the national party committees must be made through a federal PAC or through personal donations from individual executives or employees of the company. The primary federal committees are the National Republican Senatorial Committee (NRSC); the Democratic Senatorial Campaign Committee (DSCC); the National Republican Congressional Committee (NRCC); the Democratic Congressional Campaign Committee (DCCC); the Republican National Committee (RNC); and the Democratic National Committee (DNC). Depending on the size of the contribution, the packages offered by these committees generally include rooms in their hotel block, access to convention credentials, and access to additional hosted events during the convention.

Secondly, there are many state and local party organizations that are able to accept corporate donations, and which may also provide convention benefits to the contributor. Examples include the Convention Committee itself, the Republican or Democratic Party of a particular state, the

Democratic or Republican Governor's Associations, and the Republican or Democratic Associations of Attorneys General, Mayors, State Legislators, etc.

The third option is to make a corporate contribution through a non-party affiliated organization. Such organizations include: think tanks; Super PACs; Non-Governmental Organizations (NGO's); and trade associations that will have a presence, hold events, or offer benefits packages at the conventions. These options usually offer more limited benefits, but may provide access to convention viewing spaces, events, and other gatherings.

For companies that have decided to participate in the political conventions, it can't be emphasized enough — they must familiarize themselves with the campaign finance laws that govern political contributions to avoid running afoul of the law. Companies with questions about conventions or any other matters related to the elections should not hesitate to reach out to Hogan Lovells for additional information.

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