

## ETEXT ATTACHMENT

01/20/2006 13:00

Ms. Rosa J. Lewis  
Campaign Finance Analyst  
Reports Analysis Division  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: HillPAC C00363994

Dear Ms. Lewis:

This letter is in response to your request for additional information concerning HillPAC's October Monthly Report of receipts and disbursements, covering 9/1/05-9/30/05.

The \$4,321.13 item noted by you was for list rental income received from O'Brien, McConnell & Pearson. HillPAC makes available its direct mail list for rental through a professional list broker. The list broker is in the business of managing the rental of lists for a variety of clients and has been in that specific business for many years.

HillPAC follows specific steps to ensure that the usual and normal fee is charged. It relied on the numerous years of experience of its list broker, as well as its expertise in this profession, as to how that fee should be determined. HillPAC charges the current market rate in order to ensure that the usual and normal fee is charged. In addition, HillPAC sought and received data on comparable charges for other available lists, in order to ensure that HillPAC's fee was equivalent to the fees charged by other similarly situated entities. Market factors such as the number of active donors, the average donation amount, and the freshness of the donations are all taken into account in determining the usual and normal charge.

As a result, HillPAC did not receive more than the usual or normal charges for the rental of its list. HillPAC did, in fact, receive the usual and normal charge, as determined in the ordinary course of business of the professional list broker with experience and expertise in this area. The amount received for list rental is income to HillPAC and is duly reported on Line 17 of HillPAC's reports.

With respect to the event expenses noted by you, they were all for catering for events exclusively on behalf of HillPAC's own activities. None of the expenditures (nor any portion thereof) were related to or made on behalf of specific federal candidates. None of the events were held on behalf of specific federal candidates. Accordingly, all of these expenditures were correctly reported. If HillPAC makes any expenditures on behalf of specific federal candidates, it reports them as such on the appropriate line of its FEC reports.

With respect to the expenditure for "Consulting/Communications" noted by you, this expenditure was exclusively to assist HillPAC with its own communications projects and activities. This expenditure contained no express advocacy, but, instead, was for the purpose of assisting HillPAC in the preparation of written material on its own behalf, without any express advocacy. This expenditure was for neither a public communication nor for voter drive activity. This expenditure did not constitute either an independent expenditure on behalf of or an in-kind contribution to any federal candidate.

If you have any additional questions regarding this response, please contact us at your convenience.

Sincerely,

Eric Kleinfeld

---