

{Due to the fact that FECfile software does not allow Form 99 reports to be larger than 4,000 characters, this report is three of three (3/3) Balch & Bingham Federal Political Action Committee will file in response to the letter received May 17, 2006 from the FEC requesting information concerning administrative expenses associated with B&B PAC. These three reports are actually taken from one letter prepared in response to the FEC's questions. This report completes the response to the FEC on this matter.}

- Report three, continuation of letter:

There are several other important points to note about the value of administrative services provided by the Firm to B&B PAC. First, the administrative services were provided in part for purposes of ensuring compliance with the Federal Election Campaign Act. That is, these services were provided in part to guarantee that no partner in the Firm would inadvertently contribute more than \$5,000 in a year through the automatic payroll deduction. As the FEC's regulations make clear, such services are exempt from the definition of "contribution" to a political committee "if the person paying for such services is the regular employer of the individual rendering the services." 11 C.F.R. 100.86. In these circumstances, the Firm is the regular employer of both Ms. Gass and Ms. Williams who provided the accounting services to B&B PAC. Second, the Firm provided no services and incurred no expenses for purposes of soliciting contributions to B&B PAC. All solicitations to B&B PAC are made by Firm partners to other Firm partners on a volunteer basis and are very infrequent. The FEC has issued at least one advisory opinion declaring that such "occasional, isolated, or incidental use of firm resources which does not involve any increase in the firm's usual overhead costs" would not require additional reimbursement by the Committee of any portion of such overhead expenses. FEC Advisory Opinion Number 1979-22. Third, none of the administrative services provided to B&B PAC involved any additional or incremental expenditure by the firm. The Firm has purchased no new telephones, computers, or software and has hired no additional staff in order to provide the administrative services to the PAC.

Your letter also requested a listing of any goods or services provided to B&B PAC by a person, other than volunteer activity, that would be considered an in-kind contribution and therefore subject to the disclosure requirements of 2 U.S.C. 434(b)(3) and 11 C.F.R. 104.13. As noted above, all of my time related to B&B PAC activity is volunteered. This includes the time I spend working with our PAC board to determine the candidates to which the PAC will make contributions, reconciling the PAC's monthly bank statements, and, as Treasurer, preparing the regular FEC reports. The FEC's regulations state that "[t]he value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not a contribution." 11 CFR 100.74. Because I volunteer my time to B&B PAC and receive no compensation for PAC activities, the value of the services I provide the PAC should not be considered a contribution and therefore are exempt from disclosure. In addition, the PAC's assistant treasurer Mr. Michael Davis, a Governmental Relations Consultant with the Firm, assists me in preparing the regular FEC reports. Mr. Davis' assistance in this regard is also voluntary and he receives no compensation from the Firm for this assistance. Other than the administrative services described above, no person provides any service to B&B PAC that could be considered an in-kind contribution that is subject to disclosure under 2 U.S.C. 434(b)(3) or 11 CFR 104.13.

I trust that this letter has been sufficiently responsive to your request for information. We will be pleased to answer any additional questions you may have or provide further information if necessary.

Yours very truly,

Image# 26940194084

ETEXT ATTACHMENT

William F. Stiers

Treasurer

Balch & Bingham LLP

Federal Political Committee
