

July 6, 2009

Mr. Corbin T. Jones
Senior Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Dear Mr. Jones:

AT&T Federal PAC (C00109017) has received your letter dated June 10, 2009. I write to respond to the issues that your letter identified.

MARTINEZ FOR SENATE REFUND

Your letter mentions a memo entry on the PAC s February 2009 Monthly Report related to a \$2,750 contribution refund from Martinez for Senate, U.S. Senator Mel Martinez s authorized campaign committee. The memo entry states: Contribution made by affiliated Federal PAC which is now merged with AT&T Federal PAC.

To provide background on this memo entry, BellSouth Corporation Employees Federal PAC (C00174060) made two contributions to Martinez for Senate one for \$1,500 on July 18, 2006 and one for \$1,250 on November 2, 2006. After AT&T and BellSouth completed their corporate merger, BellSouth PAC notified the Commission of its affiliation with AT&T PAC by filing an amended Statement of Organization on January 4, 2007. BellSouth PAC properly transferred its remaining assets to AT&T PAC and terminated on June 13, 2008. Six months after BellSouth PAC s termination, on December 2, 2008, Senator Martinez announced that he would not run for re-election in 2010. Accordingly, Martinez for Senate promptly refunded BellSouth PAC s \$2,750 contribution. Because BellSouth PAC had effectively merged into AT&T PAC by that time, AT&T PAC received the refund check and asked the Commission s Information Division for guidance. The Information Division instructed AT&T to deposit the check, if possible, and to report receipt of the refund through a memo entry.

Your letter, however, says that AT&T PAC is not allowed to accept refunds of contributions made by another committee. And you have told AT&T PAC representatives over the telephone that they must resolve this issue through the following multi-step process: (1) reconstitute BellSouth PAC for the purpose of receiving a Martinez for Senate refund; (2) send an AT&T PAC check for \$2,750 to Martinez for Senate; (3) ask Martinez for Senate to re-issue a refund check to the new BellSouth PAC; (4) deposit the new \$2,750 refund check into the new BellSouth PAC s account; (5) transfer \$2,750 from the new BellSouth PAC to AT&T PAC; and (6) re-terminate BellSouth PAC.

AT&T PAC has several concerns with your proposal. First, the utility of reconstituting BellSouth PAC is unclear. As was mentioned in the Commission s June 13, 2008 Termination Approval letter to BellSouth PAC, a reconstituted BellSouth PAC would be treated as a new entity by the Commission. As a new entity that is treated as legally separate from the now-terminated BellSouth PAC, then new BellSouth PAC would not have any greater right to deposit a Martinez for Senate refund check than AT&T PAC.

Second, Commission precedent suggests that it would be improper to reconstitute BellSouth PAC simply to deposit a refund check and transfer the refund to another party. In an arguably similar situation, the Commission said that a terminated committee could not be reactivated solely for the purpose of accepting a contribution that would then be transferred to a former candidate. (Footnote 1)

Third, AT&T PAC could not now give a contribution to Martinez for Senate. Commission regulations declare that a
