



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Jack Hanson, Treasurer  
Pioneer Political Action Committee  
499 South Capitol Street, SW, Suite 2000A  
Washington, DC 20003

Identification Number: C00325357

APR 26 2000

Reference: Year End Report (7/1/99-12/31/99)

Dear Mr. Hanson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.7(a)(3)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel and membership lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecemeal charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(iii)(B)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(iii)(A))

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following description(s): "Professional Services" and "Consultant". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule B supporting Line 27 of your report discloses an "advance" on Schedule B to Kasich 2000, which has not been recorded on Schedule C. Loans made must be reflected on Schedule C supporting Line 9 of the Summary Page as well as on Schedule B. Please amend your report to clarify this discrepancy. 2 U.S.C. §434(b)(4)

-Please be advised that Schedule H1 is used by political committees that have established separate federal and non-federal accounts to allocate between its federal and non-federal accounts all expenses for administrative costs and generic voter drives. 11 CFR §106.6(b)(2) If your committee does not maintain a non-federal account, then Schedule H1 does not need to be filed. Please amend your report with clarifying information.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Antoinette Kitchen  
Reports Analyst  
Reports Analysis Division

