

## ETEXT ATTACHMENT

04/25/2002 17 : 02

Re: Identification No. C00149013 -- Mid-Year Report (1/01/01-6/30/01)

This submission is in response to your letter dated March 27, 2002 concerning the Federal Election Commission's preliminary review of the referenced report filed by the Fulbright & Jaworski L.L.P. Federal Committee (the "Fund").

During the period in question, the Fund reported expenses for federal income taxes. In reports covering other reporting periods, the Fund has, at various times, reported expenses for long distance calls, duplicating, and secretarial expenses. Except for disbursements to the Internal Revenue Service for federal income taxes, all such disbursements have been made to the law firm of Fulbright & Jaworski L.L.P. ("F&J"). F&J is a Texas partnership with its principal offices in Houston, Texas. The disbursements made to F&J were for actual costs incurred as a result of the Fund's use of such firm's facilities and equipment, and for reimbursement for secretarial service provided by employees of such firm.

The Fund's use of any other F&J facilities and equipment such as offices, utilities, telephone service (other than long distance service) and office equipment, was occasional, isolated, and incidental, and did not involve any increase in the firm's usual overhead costs. Because there were no such additional overhead costs, there was no expenditure by F&J for which reimbursement from the Fund was required. Consequently, there were no additional operating expenses to be reported by the Fund beyond the actual reported reimbursed costs to F&J for duplication, telephone equipment, postage, and delivery services. See AO 1979-22 (June 19, 1979) (reprinted in Fed. Election Camp. Fin. Guide (CCH paragraph 5409 (June 19, 1979)) (in the absence of an increase in overhead expenses, there is no expenditure by a committee or a contribution by a law firm under the Federal Election Campaign Act for use of such law firm's facilities).

Your letter further indicated that if organizational expenses of the Fund are being paid by a connected organization, the Statement of Organization must be amended to reflect this relationship. The only organization which could be considered a connected organization under the terms of the Federal Election Campaign Act is the law firm of F&J. Under the federal regulation defining connected organizations, 11 C.F.R. Section 100.6, such an organization may be a corporation, labor organization, membership organization, cooperative, or trade association. As noted above, F&J is a Texas partnership. Because a partnership is not any of the types or organizations listed in section 100.6, it is our understanding that a partnership law firm cannot be a connected organization. No other organization besides the law firm of F&J is related to the Fund in such a manner as to be a connected organization.

Your letter indicated that goods or services provided to the Fund by a person, except volunteer activity, could be considered an in-kind contribution subject to disclosure. As a cautionary measure, because F&J has at times provided secretarial support staff for the Fund, the Fund has also reimbursed F&J for the actual time spent by such staff on Fund matters, despite the fact that provision of secretarial services to the Fund by the firm did not require any additional hours to be worked by such secretarial staff.

The only additional organizational services provided to the Fund are the voluntary services performed by me, as Treasurer, in administering the Fund. This activity is voluntary on my part and I receive no compensation for such activity from the Fund or other sources. It is our understanding that under 2 U.S.C. Section 431(8)(B)(i), the value of such voluntary services need not be reported by the Fund.