ETEXT ATTACHMENT

07/08/2004 12 : 35

July 8, 2004

Ms. Kristen Davis
Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: American Hospital Association PAC
FEC ID No. C00106146

Dear Ms. Davis:

This is in response to your letter dated June 9, 2004 concerning the April Monthly Report (3/1/04-3/31/04) and May Monthly Report (4/1/04 4/30/04) of the above referenced Committee.

You ask about in-kind contributions made by the American Hospital Association PAC (the "Committee") and the method in which they are disclosed on Schedule B on Line 21(b).

The Committee has used the same reporting method for many years for in-kind contributions. When the value of an in-kind contribution is less than the expense the Committee incurred to the vendor, the Committee reports the in-kind contribution on Line 21(b) as a negative amount. The purpose of this disbursement states the candidate's name who received the in-kind contribution and to also reference Schedule B. Line 23. On a separate entry on Line 21(b) the expense to the vendor shows as a positive amount. The in-kind contribution is reported on Line 23 as a contribution to the candidate according to the date the in-kind contribution was made to the candidate.

Pursuant to phone conversations with you and Antoinette Kitchen, from now forward, in addition to the reporting described above, the Committee will add a detailed description to the entry for the vendor disbursement on Schedule B on Line 21(b) if a portion of that expense is for an in-kind contribution to a candidate. If you need any further information, please do not hesitate to contact the Committee.

Very truly yours,

Melinda Hatton
Treasurer