

July 1, 2007

Ms. Jennifer Thangavelu  
Federal Election Commission  
Reports Analysis Division  
999 E Street NW  
Washington, DC 20463

Reference: July 31 Mid-Year Report (1/1/07-6/30/07)  
Identification Number C00150995

Dear Ms. Thangavelu,

This memorandum is submitted as a supplement to our July 31 Mid-Year Report to document the reporting of The National PAC's Administrative Expenses for the current election cycle.

As explained in prior filings, the PAC's leadership made a conscious decision to drastically reduce its overhead costs in order to maximize candidate support. Our administrative office on Capitol Hill was closed in the Spring of 2001, and our full-time support staff was eliminated. Our recurring operating expenses are now generally limited to the following categories:

- Accounting Services
- Direct Mail Production
- Messenger Service
- Office Supplies
- Postage
- Storage
- Subscriptions
- Telephone/Internet

While we literally operate on a shoestring, we find that we are able to achieve our support objectives and meet the expectations of our supporters. We do not anticipate a shift from this strategy in the foreseeable future. As permitted under the provisions of 11 CFR 106.6 (c), we elect to apply our Schedule H1 ratio to all of our administrative expenses. We receive no reportable In-Kind contributions.

We hope that this satisfactorily explains our Administrative Expense reporting. Should you have any additional questions, please feel free to contact me weekdays at (571) 275-9682. Thank you.

Sincerely,

WARREN E. O'HEARN, CPA  
Treasurer

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**ETEXT ATTACHMENT**

The National PAC

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