

July 20, 2009

Mr. Allen Norfleet  
Campaign Finance Analyst  
Reports Analysis Division  
Federal Election Commission  
999 E Street NW  
Washington DC 20463

Identification Number: C00449280

Dear Mr. Norfleet:

This letter responds to your letter dated July 2, 2009, regarding the April Monthly Report (3/1/09-3/31/09), which Free and Strong America PAC, Inc. filed on April 15, 2009.

Our answers to your inquiries are as follows:

1. Free and Strong America PAC, Inc. is familiar with the rules governing goods and/or services provided by one committee to another. See 11 CFR s. 100.52(d)(1). As such, all payments for purchases and rentals are equal to the fair market value and the "usual and normal charge" for such goods and services. To determine the amounts charged to the committee for purchases and rentals from other committees, Free and Strong America PAC, Inc. consults with merchants, distributors, and vendors to determine the current market pricing for the goods or services in question. For instance, to calculate the value of donor lists and related assets, political list vendors and merchants specializing in the relevant goods were consulted. We are confident that this process led us to paying the "usual and normal charge" for all goods and services purchased from other committees.
2. Regarding your inquiry pertaining to Schedule H1, Free and Strong America PAC, Inc. has already amended its April Monthly Report to include Schedule H1. This amendment was filed on June 16th, 2009, as soon as we realized that it had been omitted, and prior to the receipt of your letter. Free and Strong America PAC, Inc. has consistently maintained the 50% flat minimum percentage allocation ratio since it began allocating administrative costs.
3. As you correctly note, Free and Strong America PAC, Inc. made expenditures for "Video Production Services" and "Communications Consulting."

These expenditures included the following:

- Expenditures for the production and utilization of videos for the PAC, which were not public communications (as defined under 11 CFR s.100.26) or voter drive activity (under 11 CFR s.106.6(b)(2)(i)) nor for communications that contained express advocacy (as defined in 11 CFR s. 100.22).
- An expenditure to a consulting firm that provided general communications advice and services to the PAC, which was neither for public communications (as defined under 11 CFR s.100.26) nor voter drive activity (under 11 CFR s.106.6(b)(2)(i)).

Thank you for your assistance on these matters. Please do not hesitate to contact us if you have any questions.

Sincerely,

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**ETEXT ATTACHMENT**

Darrell Crate

Treasurer

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