

ETEXT ATTACHMENT

11/06/2005 21 : 19

November 7, 2005

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

Reference: April Quarterly Report (1/1/05-3/31/05)
Identification Number C00150995

Dear Ms. Thangavelu,

This memorandum is submitted in response to your inquiry regarding The National PAC report identified above.

The first two items in your inquiry relate to Schedule H2. The origin of the Event "Administrative ()" to which the items refer is unknown. All of The National PAC's Administrative activities are generic in nature and the attendant costs are allocated on a 90% Federal, 10% Non-Federal ratio per the Schedule H1 filed. That being true, the Schedule H2 that reports the Event "Administrative ()" should be disregarded. We attempted to delete the Schedule H2; however, we were unable to override the entries that pertained to Event "Administrative ()". Therefore, by this response, we revoke the contents of the Schedule H2 at issue.

The third item in the inquiry relates to Direct Mail Production costs. As throughout The National PAC's 23-year history, our mailings are generic in nature. They do not contain express advocacy as defined under 11 CFR 100.22. They do not refer to a clearly identified Federal candidate and, therefore, they are not reported on Schedule B, line 21(b) in accordance with 11 CFR 108.6(f). Consequently, our original reporting is correct, and an amendment is unnecessary.

The fourth item of the inquiry seeks clarity of Schedule H4 items that report "Office Expense Reimbursement". The lone item that fits this description was recorded on March 15, 2005 for \$110.90. It comprises Internet Fees (\$91.90) and Telephone Expenses (\$19.00). The former must be incurred in order for us to transmit our reports electronically as required by the FEC. The latter allow us to communicate with our membership, and are in full conformity with 11 CFR 104.10 and 104.17, and Advisory Opinions 1992-1 and 1998-20, footnote 3.

The final item of the inquiry relates to The National PAC's limited reporting of Administrative Expenses. As explained previously in response to similar prior inquiries, in the Spring of 2001, 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, and our full-time support staff was eliminated.

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Our recurring operating expenses are 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. Please consider this explanation responsive to the two-year election cycle administrative expense clarification described on the last page of the inquiry.

We hope that this satisfactorily addresses the issues raised in your inquiry. 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
The National PAC