

ETEXT ATTACHMENT

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November 7, 2005

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

Reference: July Quarterly Report (4/1/05-6/30/05)
Identification Number C00150995

Dear Ms. Thangavelu,

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

The inquiry focuses on The National PAC's limited reporting of Administrative Expenses. Similar issues were raised in an FEC inquiry related to our reporting during the first quarter of calendar year 2005. As we explained in that response, 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. Please consider this explanation responsive to the two-year election cycle administrative expense clarification described in 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,

ETEXT ATTACHMENT

WARREN E. O'HEARN, CPA

Treasurer

The National PAC