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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 17, 2004

Mark N. Kirsch, Treasurer
International Union of Operating Engineers/
Local 17 Political Action Committee
5959 Versailles Rd
Lakeview, NY 14085

Response Due Date:
January 18, 2005

Identification Number: C00104455

Reference: Mid Year Report (1/1/03-6/30/03)

Dear Mr. Kirsch:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-A political committee that has established a federal account and a non-federal account must allocate between its federal and non-federal account all expenses for administrative costs, generic voter drives and fundraising programs or events. 11 CFR §§106.6(b) and 106.7(b)

Separate Segregated Funds and Nonconnected committees must report the estimated percentages of their direct federal and non-federal candidate support for a two-year election cycle by filing a Schedule H1. To calculate the allocation ratio for administrative and generic voter drive costs, separate segregated funds and nonconnected committees use the funds expended method. 11 CFR §106.6(c)(1)

Party committees must allocate any administrative, generic voter drive and exempt activity expenses between the federal and non-federal accounts according to a fixed percentage selected on FEC Schedule H1. 11 CFR §106.7(c)

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Schedule H2 is used by all political committees to report the allocation ratios of their joint federal and non-federal fundraising events and direct candidate support programs. Schedule H2 is filed with each report that discloses a disbursement for allocated activity. Schedule H3 is used by all political committees to report transfers received by the federal account from the non-federal account(s) to pay the non-federal share of allocable expenses.

Any expenditures made on behalf of both federal and non-federal candidates (including in-kind contributions, independent expenditures and coordinated expenditures) must also be allocated between your committee's federal and non-federal accounts. Schedule H4 is used by all political committees to report payments for allocable expenses. 11 CFR §106.1(a)

Please clarify the procedures you are currently using to allocate shared activity. The Commission recommends that you take steps to correct any non-compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations.

-Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. Schedule H1 must be filed with the first report each year for State, District and Local party committees, and with the first report filed in the two-year election cycle for Separate Segregated Funds and Non-connected committees. For State, District and Local party committees, all shared administrative, generic voter drive and exempt activity costs incurred during the two-year cycle must be allocated according to this ratio, unless the federal account elects to pay a higher percentage of its cost. For Separate Segregated Funds and Non-connected committees, all shared administrative and generic voter drive costs must be allocated according to this ratio unless the federal account elects to pay a higher cost. 11 CFR §106.7(d)(2), (d)(3) and 11 CFR §§104.10(b)(1) and 106.6(c)

-Schedule A supporting Line 11(a)(i) of your report discloses receipts identified as "Unitemized." Please be advised that federal regulations require the itemization of all contributions from individuals/persons that aggregate greater than \$200 in the calendar year. Contributions from individuals/persons that aggregate \$200 or less need only be disclosed on Line 11(a)(ii) of the Detailed Summary Page.

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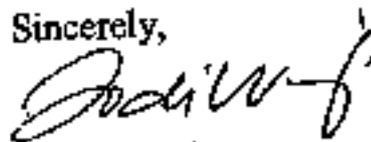
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Please clarify whether the figure disclosed on Schedule A includes any receipts that aggregate greater than \$200 from an individual/person in the calendar year. If this is the case, please amend your report by itemizing the receipts on Schedule A. 11 CFR §104.3(a)(2)

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1136.

Sincerely,



Jodi Winship
Campaign Finance Analyst
Reports Analysis Division

