



AFSCME®

American Federation of State, County and Municipal Employees, AFL-CIO

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Mr. Eric Koeppe
Senior Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission
Washington, D.C. 20463

Re: AFSCME PEOPLE (C 00011114)
February, March, April, May, June, July and September Monthly Reports

Dear Mr. Koeppe:

Mr. Lucy asked me to respond to your letters of October 22, 29, and November 5, 2003. The core of this response is included in the memo section of AFSCME PEOPLE's amended reports for the above noted months. We are providing you this courtesy copy in the form of a letter because of the formatting and space limitations of the electronic filing.

Your letters note that on Schedule B of the February, March, April, May, June, July, and August reports, AFSCME PEOPLE reports the transfer of funds from its federal account to a non-federal account. You note that in certain circumstances, a federal committee that operates a non-federal account must allocate the costs of certain administrative and fundraising expenses between its federal and non-federal accounts, and we infer that you believe that the transfers reported in Schedule B trigger the allocation rules found in 11 CFR 106.6. For several reasons, AFSCME believes that the allocation rules do not apply to these circumstances.

As we understand it, federal law permits AFSCME PEOPLE to pay for its administrative and solicitation costs in one of three ways. As the separate segregated fund of a labor union, it can pay for these costs from AFSCME's general treasury. In the alternative, it can pay for these costs entirely from "funds subject to the prohibitions and limitations of the [Federal Election Campaign Act of 1971, as amended]." 11 CFR 106.6(b). Third, it can allocate the costs of joint fundraising activities between its federal and non-federal account. If it chooses to allocate the