

January 12, 2007

Ms. Rosa G. Lewis
Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: HillPAC, FEC Id. No.C00363994, October Monthly Report (9/1/06 - 9/30/06)

Dear Ms. Lewis:

This letter is in response to your request for additional information concerning HillPAC's (the "Committee's") October Monthly Report of receipts and disbursements, covering 9/1/06 - 9/30/06.

With respect to the payment on Line 17 from Walter Karl, this amount was properly reported as list rental income. The Committee makes its direct mail list available for rental through an established list brokerage and management company, which has been in the business for numerous years ("Walter Karl"). The broker sets the price for the Committee's list based on its experience and expertise in the list rental market and on other market factors, including the fair market value of a comparable list. The variables considered by the list broker include the number of active donors on the list, the average donation amounts and the freshness of the list. The result is that the Committee rents its list for the usual and normal rental, as charged in the open market.

When the Committee's list is rented, the list broker retains a commission for its fee, in accordance with its ordinary business practices, and pays the net rental to the Committee. The Committee then reports the rental properly, as it did on the October Monthly Report.

With respect to the expenditures for "Consulting/Fundraising," "Event Expense: Flowers" and "Event Expense: Food & Beverage" noted by you, these expenditures were all for generic fundraising on behalf of the Committee's own activities. None of the expenditures (nor any portion thereof) were related to or made on behalf of specific federal candidates.

With respect to the expenditures for "Consulting/Communications" and "Postage" noted by you, these expenditures were exclusively to assist the Committee with its own communications projects and activities. These consulting expenditures contained no express advocacy, but, instead, were for the purpose of assisting the Committee in (1) the preparation of generic written material, (2) general press contacts and (3) internet blogging and web outreach, on its own behalf, without any express advocacy. The postage expenditures were for the Committee's own postal costs, such annual permit fees and were also without express advocacy. None of the expenditures (nor any portion thereof) were related to or made on behalf of specific federal candidates.

Accordingly, all of these expenditures were correctly reported. If the Committee makes any expenditures on behalf of specific federal candidates, it reports them as such on the appropriate line of its FEC reports.

If you have any additional questions regarding this response, please contact us at your convenience.

Sincerely,

Janice Enright
Treasurer

Image# 27940046567

ETEXT ATTACHMENT
