

To: The Federal Election Commission
From: Senate Majority Fund
C00368431

Reference: Year End Report (7/1/07-12/31/07)

This Miscellaneous ETEXT ATTACHMENT is in response to the above referenced letter. The Paragraph below responds to the FEC letter which requested clarification.

The FEC letter asked if payments paid to another political committee for goods and services represented the fair and market value for those goods and services. Payments made by the Senate Majority Fund to the Jon Kyl for U.S. Senate committee are based on fair market value of the service provided. The services provided are rent of office space, rental of office equipment, and reimbursement for telephone and internet service. Rent of office space is based on square footage used exclusively by each committee and the frequency of use of common areas. Office equipment rental is based on fair market rental of equivalent items of equivalent age on the general market; ie, a desk, a chair, and filing cabinet, and a proportional use of computer equipment and a copier. Reimbursement for telephone and internet is based on percentage of use by each committee (currently running at about fifty percent for each committee). Employees of the Senate Majority Fund are paid on an hourly basis by the Senate Majority Fund.

No amended return has been filed.
