

{Due to the fact that FECfile software does not allow Form 99 reports to be larger than 4,000 characters, this report is two of three (2/3) Balch & Bingham Federal Political Action Committee will file in response to the letter received May 17, 2006 from the FEC requesting information concerning administrative expenses associated with B&B PAC. These three reports are actually taken from one letter prepared in response to the FEC's questions. There will be one additional report.}

- Report two, continuation of letter:

The following tables identify the two Firm administrative staff members who provide administrative support to B&B PAC. Ms. Terri Gass, the Firm's assistant controller, performs essentially all of the services described above, while Ms. Cindy Williams, Director of Finance, merely signs the monthly checks that are sent to the PAC. Ms. Gass spends approximately 5 minutes per month providing these administrative services and Ms. Williams spends approximately 1 minute signing each month's check. For each administrative cost item listed in your May 17 letter, we have estimated the amount of cost associated with B&B PAC administrative services by annualizing the total costs assigned to each employee for these items and then taking a percentage of those costs based on the percentage of time each year that Ms. Gass and Ms. Williams spend providing the administrative services. For the "Salary" component, we have included all compensation, including health insurance, pension contributions and bonuses. A separate table is provided for each of the three reporting periods specified in your letter.

2005 Mid-Year Report (1/1/05 - 6/30/05)

	Terri Gass	Cindy Williams	Total
Salary	\$16.18	\$5.59	\$21.77
Rent	\$ 2.01	\$.40	\$ 2.41
Utilities	\$.02	\$.00	\$.02
Telephone Service	\$.49		\$.10 \$.59
Office Equipment	\$.63	\$.13	\$.76
Supplies	\$.29	\$.06	\$.35
Total	\$19.62	\$6.28	\$25.90

2005 Year End Report (7/1/05 - 12/31/05)

	Terri Gass	Cindy Williams	Total
Salary	\$16.18	\$5.59	\$21.77
Rent	\$ 2.01	\$.40	\$ 2.41
Utilities	\$.02	\$.00	\$.02
Telephone Service	\$.49	\$.10	\$.59
Office Equipment	\$.63	\$.13	\$.76
Supplies	\$.29	\$.06	\$.35
Total	\$19.62	\$6.28	\$25.90

2006 April Quarterly Report (1/1/06 - 3/31/06)

	Terri Gass	Cindy Williams	Total
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Salary	\$8.36	\$2.94	\$11.30
Rent	\$1.06	\$.21	\$ 1.27
Utilities	\$.00	\$.00	\$.00
Telephone Service	\$.13	\$.03	\$.16
Office Equipment	\$.29	\$.06	\$.35
Supplies	\$.07	\$.01	\$.08
Total	\$9.91	\$3.25	\$13.16

As is clear from these tables, the total value of administrative services that the Firm provided to B&B PAC in 2005 was \$51.80, and only \$13.16 for the first quarter of 2006. As you note in your letter, the Federal Election Campaign Act requires political committees to disclose the amount of payments to a person aggregating in excess of \$200 in a calendar year. 2 U.S.C. 434(b)(5). Accordingly, B&B PAC is not required to itemize the \$51.80 in services provided by the Firm in 2005 or the \$13.16 provided by the Firm thus far in 2006. Moreover, because the value of these services is less than \$500, B&B PAC understands that this value is not required to be disclosed as a debt on Schedule D of the reports. 11 CFR 104.11.

However, since receiving your May 17 letter, B&B PAC has made a payment to the Firm in the amount of \$64.96 to reimburse it for the value of the administrative services provided during the past three reporting periods. B&B PAC's next quarterly report will disclose this payment as an expense on Schedule B. Moreover, in future reporting periods, the PAC will make the administrative services payment and will disclose the amount of these payments in our reports.