



AMPAC AMERICAN MEDICAL POLITICAL ACTION COMMITTEE

MAR 26 10 30 AM '99

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March 23, 1999

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Lucy J. Denny
Reports Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: 30-Day Post General Report (10/15/98-11/23/98)
Identification Number: C00000422

Dear Ms. Denny:

I am writing in response to your letter of March 11, 1999.

You are quite correct that independent expenditures generally involve communications. All of the AMPAC independent expenditures included in the report in question involved communications with potential voters, including TV, radio and newspaper advertisements, get-out-the-vote telephone calls and mailed communications.

Because AMPAC is a separate segregated fund of the American Medical Association, it is staffed by AMA employees. Such employees, of necessity, are involved in planning and carrying out AMPAC independent expenditures. AMPAC has always assumed that the time spent by AMA employees working on a specific independent expenditure is part of the cost of that expenditure and should be reported to the Commission as such. AMPAC has consistently reported such expenditures, and this has never been questioned before.

Employee time is handled pursuant to the procedures approved by the Commission in Advisory Opinion 1984-37. AMPAC pays the AMA an amount sufficient to cover anticipated employee expenses for independent expenditures and contributions of employee time to candidates. This is initially reported as a disbursement to the AMA. The proper amounts are deducted from Line 21 and reported as contributions or independent expenditures when an employee spends time on the particular project. AO 1984-37 deals directly only with the contributions of employee time to political candidates. We believe, however, that the same procedures should be used for what is, in effect, a contribution of employee time to AMPAC for work on independent expenditures.

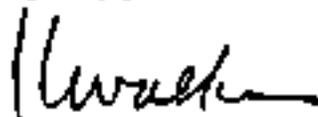
AMPAC is a separate segregated fund established by the AMA. Voluntary political contributions by individuals to AMPAC should be written on personal checks. Funds from corporations cannot be used for contributions and expenditures in Federal elections. Corporate checks will be placed in a separate AMA account for political education and other non-election activities. Contributions are not limited to the suggested amount. Neither AMA nor its constituent state associations will favor or disadvantage anyone based upon the amount or failure to make PAC contributions. Voluntary political contributions are subject to limitations of FEC regulations Section 110.1, 110.2 and 110.8 (Federal regulations require this notice).

Contributions to AMPAC are not deductible as charitable contributions for federal income tax purposes.

The expense reimbursements are reimbursement of expenses incurred by employees when working on AMPAC independent expenditures.

I hope this answers your questions adequately. If you have further questions, or need additional information, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read "K Walker", written in a cursive style.

Kevin Walker
Executive Director
and Treasurer



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Kevin Walker, Treasurer
American Medical Association
Political Action Committee
1101 Vermont Ave., NW
Washington, DC 20005

MAR 11 1999

Identification Number: C00000422

Reference: 30 Day Post-General Report (10/15/98-11/23/98)

Dear Mr. Walker:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Traditionally, independent expenditures are used for a communication, such as a newspaper, tv, or direct mail advertisement. Please clarify the use of "Expense Reimbursement" and "Employee Time" for independent expenditures.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

Lucy J. Denny
Reports Analyst
Reports Analysis Division

Federal Election Commission

**ENVELOPE REPLACEMENT PAGE
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

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