American Pilots' Association Political Action Committee
499 S. Capitol St., SW #409
Washington, DC 20003
202-484-0700
fax 202-484-9320

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February 5, 2004

Ms. Brandy Phillips, Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission
Washington, DC 20463

Lisa P. Kates

Past Correspondence
addressing the same issue

Re: FED ID #C00041061
June Monthly Report (5/1/03 – 5/31/03)

26038950814

Dear Ms. Phillips:

I am writing in response to your letter of January 28, 2004 requesting an explanation of Schedule A of the above referenced report.

Please be advised that the United New Jersey Sandy Hook Pilots' Benevolent Association and the United New York Sandy Hook Pilots' Benevolent Association are not labor organizations as suggested in your letter. They are not corporations or collecting agents. They are also not political committees. Rather, these groups are unincorporated membership organizations and are contributing to the APA PAC in their own names pursuant to the advice rendered by the Federal Election Commission in Advisory Opinion AO 1988-3 (April 29, 1988). Both of these groups are similar in all relevant aspects and particulars to the Pilots' Association for the Bay and River Delaware, the "test group" selected by the FEC for the purpose of rendering the Advisory Opinion, and according to legal counsel, are thus allowed to rely on the advice expressed in that opinion.

We have addressed this question several times in the past. I am including with this letter copies of past correspondence. We would appreciate a reply confirming that your questions have been resolved.

Sincerely,

Michael R. Watson, Treasurer

RQ-2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 28, 2004

Captain Michael R. Watson, Treasurer
American Pilots' Association Political Action
Committee
499 South Capitol Street S.W.
#409
Washington, DC 20003

Response Due Date:
February 27, 2004

Identification Number: C00041061

Reference: June Monthly Report (5/1/03 – 5/31/03)

Dear Captain Watson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A of your report discloses one or more contributions totaling $10,000 from "Un. New York SH Pilots" and "Un. NJ SH Pilots," which appears to be a labor organization(s). 2 U.S.C. §441b(a) prohibits the receipt of contributions from labor organizations unless made from a separate segregated fund established by the labor organization.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have received a prohibited contribution, you may have to make a refund. If within 30 days of receipt you (1) transferred the prohibited amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

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If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the prohibited amount must be refunded. See 11 CFR §103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of a prohibited contribution, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1157.

Sincerely,

Brandy Phillips
Campaign Finance Analyst
Reports Analysis Division

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Federal Election Commission

ENVELOPE REPLACEMENT PAGE FOR INCOMING DOCUMENTS

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

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(3/2005)

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