



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Ruth Harrison, Treasurer
Campaign For A New American Century
1922 West End Ave., 2nd Floor
Nashville, TN 37203

SEP 9 1998

Identification Number: C00281923

Reference: July Quarterly Report (4/1/98-6/30/98)

Dear Ms. Harrison:

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:

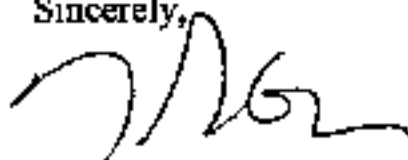
-With the inception of your committee in June of 1993 through the 1996 July Quarterly reporting period, your committee appears to have maintained a federal account out of which all committee expenses were paid. Beginning with the 1996 October Quarterly Report, your committee has engaged in shared federal and non-federal activity with your non-federal account. A review of the reports filed by your committee during the 1997-1998 election cycle indicates that the federal portion of shared administrative expenses and generic voter drive costs has dropped from fifty percent in calendar year 1997 to thirty percent during the first half of 1998. Further, the amount that is being spent on "Other Federal Operating Expenditures" has significantly decreased as well. In calendar year 1997, your committee reported a total amount of \$171,540.20 in this category as opposed to only \$12,228.71 during the first half of 1998.

Any cost which is attributable to a federal election must be paid directly from the federal account with permissible funds. Examples of such expenses from your reports include direct mail, travel costs, lodging, airfare, polling and consulting (see also the following paragraph addressing consulting). Please describe the method your committee uses to determine which expenses can be shared between the federal and non-federal accounts from those which must be paid with purely federal funds from the federal account.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 of your report to clarify the following description(s): Consulting. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

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,

A handwritten signature in black ink, appearing to read "Neil A. Evans". The signature is fluid and cursive, with a large initial "N" and "A".

Neil A. Evans
Reports Analyst
Reports Analysis Division

