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----- May 29, 2002 -----

**Registered Mail**  
**Return Receipt Requested**

Collen Manning  
Reports Analyst  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

RE: Identification Number: C00075994

Dear Ms. Manning:

Please refer to your letter dated May 22, 2002 to Rebecca Gumm, Treasurer of the Ashland Inc. Political Action Committee For Employees ("PACE"). In your letter, you raised questions about contribution limits being exceeded by PACE based presumably on aggregated contributions made by PACE and the Arch Coal, Inc. Political Action Committee ("ARCHPAC") to the "Talent For Senator Exploratory Committee". As legal counsel for PACE, please accept this letter as the response to your letter.

PACE and ARCHPAC were previously affiliated separate, segregated funds. Ashland Inc., PACE's connected organization, previously owned more than 50% of the outstanding shares of Arch Coal, Inc., ARCHPAC's connected organization. However, effective March 27, 2000, Ashland Inc. disposed of most of its stock in Arch Coal, Inc. (leaving Ashland Inc. holding only about 10% of Arch Coal, Inc.'s outstanding shares). Shortly

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thereafter, by letter dated April 17, 2000, (copy enclosed), PACE notified the Federal Election Commission that PACE's Statement of Organization was amended to remove ARCHPAC as an affiliated committee. Consequently, PACE and ARCHCOAL ceased to be affiliated at that time.

The contributions in question were made in the Fall of 2001, more than one year after the affiliation ceased. Consequently, there appears to be no issue involving PACE relating to excessive contributions.

If you continue to have questions concerning this matter, please call me at (859) 357-7522.

Very truly yours,



J. Michael Peffer

JMP/rmw



April 17, 2000

**REGISTERED MAIL  
RETURN RECEIPT REQUESTED**

Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

**RE: Ashland Inc. Political Action Committee for  
Employees (PACE)  
FEC Id. No. C00075984**

Gentlemen:

Please accept this letter as formal notice of a change in PACE's Statement of Organization to remove Arch Coal, Inc. Political Action Committee (Arch PAC) as an affiliated committee.

Your attention to this matter is greatly appreciated.

Very truly yours,

*JMP* *Rebecca L. Hanshaw*  
 Rebecca L. Hanshaw  
 Treasurer

hp

cc: Mary Ellen Hardy

