



Republican
National
Committee

November 26, 2004

VIA FACSIMILE AND FIRST CLASS MAIL

Tracey L. Ligon, Esq
Office of the General Counsel
Federal Election Commission
999 E St., NW
Washington, DC 20463

RE MUR 5390

Dear Ms. Ligon.

Enclosed please find the response of the Republican National Committee and Michael L. Retzer, as treasurer, in the above-captioned matter.

Please contact the RNC Counsel's Office at (202) 863-8638 if you have any questions.

Sincerely,

Eric Brown
Deputy Counsel

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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The Commission's Factual and Legal Analysis asserts that Freddie Mac donated \$150,000 to the RGA in October 2002. The Commission's analysis alleges that "[a]t that time, the RGA was part of the Republican National Committee." In fact, according to our records, the last date that RNSEC (then part of the RNC) deposited RGA contributions was September 6, 2002. Therefore, at the time of this contribution, RGA was operating independently of the RNC and thus has no liability in this matter. For this reason, the

Commission should take no further action against the RNC and Michael L. Retzer, as treasurer, and close the file

Respectfully submitted,

November 26, 2004

Jill Holtzman Vogel by ESB
Jill Holtzman Vogel

Chief Counsel

Charles R. Spies

Election Law Counsel

Counsel for the Republican National
Committee, Michael L. Retzer, as
treasurer

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MEMBERSHIP

RGAs UNDER BCRA

PATTON BOOGS UP
ATTORNEY AT LAW

In order to comply with the Bipartisan Campaign Reform Act of 2002 ("BCRA"), RGA became an independent political committee under Section 527 of the Internal Revenue Code in September 2002 and severed all ties with the Republican National Committee.

BCRA prohibits national party committees from raising, spending, soliciting or directing any money not permitted under federal law (i.e. "soft money") - in other words, money legal under state law is now illegal for the RNC, NRSC or NRCC

In order for the RGA to continue being able to aid gubernatorial candidates with money legal under the laws of their states, the RGA had to separate itself from the RNC.

There is NO CHANGE in the contributions the RGA may accept. BCRA does not affect what donors can give to the new RGA. Thanks to its new status, the RGA may continue to accept contributions from corporations, trade associations, unions and individuals in any amount. All expenditures in a state will be as permitted by state law. The RGA may not accept money from foreign nationals.

Since it is no longer a "national party committee", the RGA's legal status under a state's election laws may have changed. (It is most likely now a "PAC" under a state's law)

That may impact the size of contributions to candidates or the amounts that may be given to state parties in a particular state. We're evaluating each state's laws now. It may be desirable to change some state laws in tandem with the Democrats.

The new law does not affect the RGA's ability to do issue ads discussing state officials and leaders.

The RGA will have more overhead expenses In the past, all administrative functions (payroll, reporting, bookkeeping, legal, etc) were paid for by the RNC

State parties' ability to help their candidates with voter registration, contact and turnout is greatly diminished, which creates a void that will have to be filled

Any mention of a federal candidate in a communication (printed or broadcast) or a generic message ("Vote Republican") means that only hard federal dollars can be used The state party will NOT be able to use any state dollars to pay for these programs