

July 11, 2006

Federal Election Commission  
Attn: Alexandra Dumas  
Washington, DC 20463

Re: MUR 5534

Dear Ms. Dumas

We have reviewed the FEC investigation into this matter. As a result of this we have conducted a comprehensive review of our actions from nearly two years ago. Business Alaska did support the airing of the television spot regarding the Pew Oceans Commission. We supported it because we determine Mr. Knowles participation and support of the Pew Oceans findings was detrimental to fishing in Alaska which is a critical economic issue. Business and other economic issue was one of the main reasons for the development of Business Alaska. The ad script follows: Television audio copy:

: 30 seconds

"When Tony Knowles was governor, he served on the Pew Commission ... a group dominated by outside liberals who tried to give control of fisheries to bureaucrats and extreme environmental groups, and who targeted existing fishing areas for closure. And Tony Knowles endorsed it. If you want to find our more, call Tony Knowles campaign, and ask what he was thinking when he endorsed the Pew recommendations?"

Regarding the advertising which concerned Lisa Murkowski placed in print advertising the Business Alaska Board of Directors never authorized the placement or use of Business Alaska name in connection with this ad. In fact, one of the board's members acting independently coordinated and authorized the Dittman Research Corporation to place this ad. The board member believes his actions were not a violation and only after the fact indicated he alone had made this decision. Business Alaska Board of Directors still accepts responsibility for the placement of this ad as it was responsible to coordinate board members actions and set standards for communications and other actions.

2006 JUL 12 A 8:49

FEDERAL ELECTION COMMISSION

29044251635

Clearly, in both these cases Business Alaska had no intentions of electioneering. We have acted based on our internal interpretation of regulations. Our best course at this point is to settle this matter. We formally request pre-probable conciliation in an effort to move forward. Please see our further response to interrogatories.

**1 .Business Alaska Board as of March 12 2004:**

President, Devery Prince President  
Glen Biegel, Vice President  
John Floyd ,Secretary/Treasurer  
Jack Frost  
Tom McGrath

Jack Frost  
John Pletcher  
Cary Sinnett

Since early 2005 Sinnett, Biegel and Prince have left the board.

2. Please see the attached bank account statements. Several statements are missing. We have order missing statements. Business Alaska had two accounts Alaska USA Federal Credit Union which was closed and moved to Alaska First Bank and Trust. According to the attached statements the actual from March 2004 through August 2004 receipts were \$ 70,177. The election period ended in November. Therefore we will provide additional statements for that period.

3. Business Alaska has not produce any additional public communication other than those already referenced.

6. Business Alaska did provide a monetary grant to the Alaska Moose Federation. The Alaska Moose Federation is a non profit organization whose mission is to make the public aware of the declining Moose population in Alaska. The board recognized its work as a valid economic issue.

Business Alaska also provided a monetary grant to Future Alaska which is involved in various political activities.

29044251056

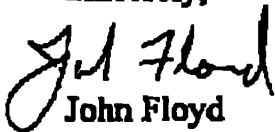
29044251637

7. Business Alaska is a non profit organization created for the purpose of encouraging effective government in Alaska and our local communities. Through education and advocacy, BA goals and objectives are to provide a storehouse of information, advice and experience. Our resource center includes a database of information on voter statistics, economic research trends and preferences. We provide issues education and deliver past election results, proposed legislation, and analysis of the outcomes. We offer training in public speaking, policy information and political strategy.

8. John Floyd 645 G Street Ste 782 Anchorage, Alaska 99501 is the principal custodian. No documents have been destroyed

9. In addition to current board members Dave Dittman of Dittman Research Inc. was contacted as he is believe to place the advertising regarding Murkowski print ad...

Sincerely,



John Floyd  
President Business Alaska

Attachments

AK USA Statements