

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, DC. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant <i>Policy Impact Strategic Communications, Inc. 1275 Pennsylvania Ave., NW, Tenth floor Washington, DC 20004</i>	2. Registration No. <i>5610</i>
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3. Name of foreign principal <i>Tsotne Bakuria, Union Democratic Revival Party</i>	4. Principal address of foreign principal <i>44 Memed Abashidze Avenue Batumi 6010 Autonomous Repub. of Adjara, Georgia</i>
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5. Indicate whether your foreign principal is one of the following:

- Foreign government
- Foreign political party
- Foreign or domestic organization: If either, check one of the following:
  - Partnership
  - Corporation
  - Association
  - Committee
  - Voluntary group
  - Other (specify): \_\_\_\_\_
- Individual-State nationality \_\_\_\_\_

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6. If the foreign principal is a foreign government, state:

- a) Branch or agency represented by the registrant.
- b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

- a) Principal address.  
*44 Memed Abashidze Ave, Batumi 6010, Adjara, Georgia*
- b) Name and title of official with whom registrant deals.  
*Tsotne Bakuria, Member of Parliament, Autonomous Republic of Adjara*
- c) Principal aim.  
*Economic Development and Investment*

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal N/A

b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal Yes  No

Owned by a foreign government, foreign political party, or other foreign principal Yes  No

Directed by a foreign government, foreign political party, or other foreign principal Yes  No

Controlled by a foreign government, foreign political party, or other foreign principal Yes  No

Financed by a foreign government, foreign political party, or other foreign principal Yes  No

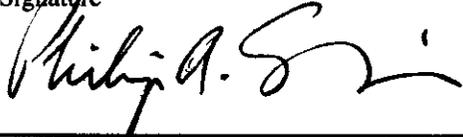
Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes  No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page must be used.)

N/A

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
3/9/2004	Philip Smith, partner	

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. One original and two legible photocopies of this form shall be filed for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant

Policy Impact Strategic communications  
1275 Pennsylvania Ave., NW, 10<sup>th</sup> floor  
Washington, DC 20004

2. Registration No.

5610

3. Name of Foreign Principal

Tsothe Bakuria, Union Democratic Revival Party of Georgia

Check Appropriate Boxes:

4.  The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
5.  There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
6.  The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.

7. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Please see attached

2004 MAR 11 PM 1:24  
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8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

*Please see attached*

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below?    Yes     No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

*Please see attached*

Date of Exhibit B	Name and Title	Signature
<i>3/9/2004</i>	<i>Philip Smith, partner</i>	<i>Philip A. Smith</i>

Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

*7. Describe fully the nature and method of performance of the above indicated agreement or understanding.*

The principal has retained Policy Impact to provide Washington representation, with specific goals of beginning to raise awareness of the Autonomous Republic of Adjara, disseminating information about Adjara's and its capital's potential as a deep-water Black Sea port, and encouraging economic development, trade and capital investment on behalf of Adjara and its citizens. The scope of work requires public relations, media relations, editorial and government relations activities in support of these goals.

*8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.*

Activities will include scheduling and coordinating meetings between U.S. and Adjaran officials and lawmakers, producing informational collateral materials for distribution to officials, lawmakers, businesses, potential investors, NGOs and the media, helping to coordinate trips to Adjara for selected groups of interested parties, and facilitating trade, finance and economic development involvement in Adjara and the port of Batumi.

*9. Will the activities on behalf of the above foreign principal include political activities?*

Yes. The aim of public relations and government relations activities will be to increase U.S. lawmakers' and policy makers' awareness and appreciation of Adjara's potential as an ally in efforts to improve stability, trade and economic development in the region.

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The Honorable Tsothe Bakuria  
Chairman of the Parliamentary Committee for Foreign Affairs,  
Information, and Public Relations  
Parliament of the Autonomous Republic of Adjara  
10, K. Gamsakhurdia Street  
Batumi 6010  
Georgia

Dear Mr. Bakuria:

We at Policy Impact Strategic Communications, Inc. appreciate this opportunity to join in your public relations and government relations efforts, and we look forward to supporting you in a successful campaign on behalf of the Autonomous Republic of Adjara.

By this Letter of Agreement, Policy Impact agrees to provide its services to you for a term of 90 days, effective February 15, 2004 and ending May 15, 2004, with the understanding that a longer-term agreement may be entered into at that time by the two parties. Policy Impact's services will include public and government relations activities in support of our agreed upon strategy, which is attached to this letter as Appendix A. These activities will include, in general, media relations, editorial services and government relations representation to U.S. departments and agencies and state and local governments and agencies as appropriate. Our activities are intended to successfully execute and implement the goals and objectives expressed in Appendix A.

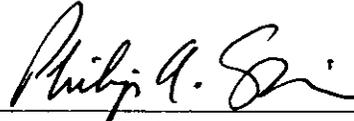
By this Letter of Agreement, the Autonomous Republic of Adjara agrees to compensate Policy Impact on the basis of a monthly flat retainer, at the rate of \$7,500 for each 30-day period, for a total retainer not to exceed \$22,500. Policy Impact will issue an invoice for \$7,500 at the beginning of each 30-day period, to be paid within 30 days of receipt. In addition, the Autonomous Republic of Adjara agrees to prompt payment of all reasonable business expenses incurred in the execution of this agreement, including travel, lodging, meals and communications by telephone, fax, courier and parcel delivery (e.g., FedEx). The Autonomous Republic of Adjara also agrees to reimburse the cost of business meals and other reasonable incidental expenses incurred in executing our agreed upon strategy, not to exceed \$200 per occurrence without prior approval. Policy Impact agrees to seek prior approval for the cost of production of printed materials and other such associated expenses in excess of \$200, as appropriate.

By the terms of this Letter of Agreement, either party may terminate this arrangement with 14 days' notice.

Our goal is to develop a long-term relationship with the Autonomous Republic Of Adjara in an effort to assist it in accomplishing its key objectives in the areas of promoting foreign investment, trade and tourism development, and economic growth, as well as establishing positive and mutually beneficial relations with the United States of America for the future. At the conclusion of our three-month agreement, we would welcome the opportunity to explore how Policy Impact might provide assistance in these and other critical areas.

Policy Impact looks forward to the successful completion of this campaign and to future joint endeavors. Thank you.

Agreed:



Philip A. Smith  
Policy Impact



Tsotne Bakuria  
Autonomous Republic of Adjara

Attached: Appendix A