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September 14, 2014

Mr. James Smith
Ms. Fiona Wilmarth
Independent Regulatory Review Commission
333 Market St 14th Floor
Harrisburg, PA. 17101

Department of State, Regulation #16-56 IRRC #3012

Dear Mr. Smith and Ms. Wilmarth: I am writing in response to the revised regulation proposed by the Department of State, Regulation #16-56 IRRC #3012, increasing the lobby registration fee.

I read with great interest the RAF prepared by the DOS and the Administration last year and the Commissions response to that document. The Commission rightly challenged DOS and the Administration on several key requirements of the IRRC process in addition to standing requirements of the Administration. While the DOS and the Administration did it's best to respond to the Commission's concerns, I believe they feel seriously short.

Last year, I submitted comments to the Commission regarding my opposition to the proposed tax increase. I believed then as I believe now that the imposition of this or any tax violates Article 1 of the Pennsylvania Constitution and the First Amendment to the U.S. Constitution.

Other commenter's pointed out that this proposed tax increase will have a dramatic impact on transparency and compliance with the act, I wholeheartedly share that sentiment. I will share with you this, that if all things being equal with my lobbying practice next year, should this tax be approved, I will be one that will not register until necessary. In addition, I will retire my firm name because that would require me to pay an additional \$400 in addition to the \$400 as an individual lobbyist. In these tight economic times it is necessary to minimize overhead costs.

In reviewing the Department of State's RAF accompanying their final rulemaking, I read with particular interest Section 14 regarding communications with or solicitation of input by those affected. The department indicates that it undertook communications with and solicitation of input from a number of stakeholders, ..."specifically those who had taken the time to provide comments during the public comment period on the proposed regulation." In Section 14 the department listed a number of organizations, including F. C. Brown and Associates. I believe that I am accurate when I tell you that the only communication I had with the DOS is an acknowledgment of my initial comments regarding the proposed regulation. I do not believe that my prior comments can in any way be viewed as providing input on any revision contemplated by the DOS. To put it another way, I have not had any substantive conversation with anyone from DOS regarding their proposed revision. It is my understanding that at least one other firm

listed was not contacted either.

Others have indicated to the Commission that the revenue generated by the sales tax on some direct lobbying services be dedicated to support the infrastructure necessary to provide public access of those who lobby and the costs associated with affecting public policy. It is my understanding that the amount generated from the sales tax is estimated to be around \$900,000. This year the Administration only proposed an appropriation of \$295,000 which is a \$197,000 reduction from the prior year.

In my opinion, the DOS and the Administration have failed to justify the need for the increase. They fail to recognize the adverse impact this tax increase has on fundamental constitutional rights and values. They fail to recognize the adverse impact that this tax increase will have on compliance with the goals outlined in the Act.

I ask and urge the Commission to reject the regulation.

Thank you

Frederick C. Brown