

Pennsylvania Farm Bureau

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Caroline Bailey, Assistant Counsel
Department of State
Commonwealth of Pennsylvania
210 North Office Building
Harrisburg, PA 17120

DEPARTMENT OF STATE
BUREAU OF CEI

RE: Proposed Rulemaking to Increase Lobbying Disclosure Registration Fees for the 2015-2016 Legislative Term (43 Pa.B. 3009, Published in the June 1, 2013 Issue of the *Pennsylvania Bulletin*)

Dear Ms. Bailey:

Pennsylvania Farm Bureau ("Farm Bureau") offers the following comments relative to the aforementioned rulemaking. We appreciate the opportunity for comment.

As background, Farm Bureau is a statewide association with a membership of more than 58,300 farm and rural families in the Commonwealth. All of Farm Bureau's state lobbying activities that are subject to regulation and reporting under the Lobbying Disclosure Act (65 Pa.C.S. Ch. 13A) are conducted and coordinated internally within our association. The predominant workload of lobbying activities performed by Farm Bureau is carried out by an employed staff of six persons, all of whom are registered lobbyists pursuant to the Act. Each of our registered staff is assigned to particular legislative and regulatory areas that have potential to affect Pennsylvania's farm families and their operations. Staff employed to perform lobbying activities on Farm Bureau's behalf are not authorized to perform lobbying for any other principal. And Farm Bureau does not contract with any independent professional lobbyists or lobbying firms pursuant to the performance of the organization's lobbying activities and objectives.

We have serious concerns with the exorbitant jump in registration fees being proposed in this rulemaking. The proposed level of fee increase appears to be made under an erroneous assumption that administrative costs for regulation of the Act and handling and processing of registrations and reports are exactly the same for each lobbyist, each lobbying firm, and each principal. And there is no distinction being made in the proposed rulemaking between an organizational structure for lobbying utilized by Farm Bureau and similar trade associations – whose organization and functions of lobbying, registration, and reporting are performed largely as a single unit – and the structure utilized in the performance of lobbying activities performed by contract lobbyists and lobbying firms – whose representation can involve a multitude of principals and lobbying functions can be follow varied and sometimes complex paths.

Although trade associations like Farm Bureau have been required under the Act to register several individuals and the association itself as "separate" lobbying entities, the coordination of registration and expense report filings, for all intents and purposes, take the form of consolidated filings by the association and its employed lobbyists as a single unit. When registrations of Farm Bureau and its lobbyists are renewed for the succeeding term, the renewal is performed as part of a single registration action, with payment of registration for principal and lobbyists being made by means of a single check. When quarterly filings are made to capture all of the activities and expenses that Farm Bureau and its lobbyists are required to capture and report, the quarterly filings take the form of one consolidated expense report that Farm Bureau files on behalf of itself and all registered lobbyists that Farm Bureau employs. Since Farm Bureau is the only principal for which its registered lobbyists perform lobbying activities, no additional lobbying expense report or affirmation statement is required to be filed by any of Farm Bureau's registered lobbyists.

The more galvanized organizational and operational structure utilized by Farm Bureau and similar trade associations in performance of lobbying activities should provide the Department with significant economies of scale in costs for administration and enforcement of the Act that may not be provided by contract lobby firms and contract lobbyists or by principals who independently contract with lobbying firms or lobbyists. Instead of having to go to

differing office locations to conduct regulatory and enforcement activities for independent lobbyists and principals used by independent lobbyists, the Department only needs to go to one office location – the office of the principal – to investigate and enforce compliance by a trade association that employs staff who are performing lobbying activities exclusively for that association.

We strongly believe that the cost economies in the regulation of trade associations such as Farm Bureau should be recognized and incorporated into any adjustment to the current fee structure the Department would make. More specifically, because of the cost efficiencies that associations such as Farm Bureau already provide in the administration of the Lobbying Disclosure Act, we believe generally that total registration fees for trade associations should be limited, and not based on a fee per registrant. More specifically, we believe the total registration fees that we will need to pay under the proposed rulemaking far exceed the fees that are warranted for administrative regulation of associations similar to ours.

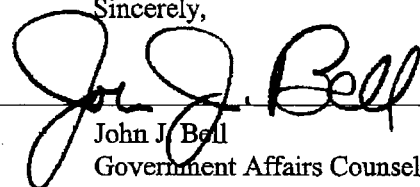
In addition, we would ask the Department to consider the potential effect that the high increase in registration fees proposed in this rulemaking may have on future compliance with the Act and the accuracy of future reportings of lobbying expenses. As you know, the Act's current threshold of income or hours devoted to lobbying that triggers requirements for individuals to be registered as lobbyists is very low – receipt of more than \$2,500 from performance of lobbying activities per any calendar quarter or engagement 20 hours or more in lobbying activities (including office processing activities) per any calendar quarter. Nearly every person who performs any appreciable lobbying activities through employment in a business or organization will legally meet this threshold for required registration under the Act.

Anecdotally, we are aware of the positive and sincere efforts that many businesses and trade organizations are making to comply with the Act, and accurately identify through registration those individuals engaged in lobbying and capture and report the administrative expenses that the Act directs businesses and organizations to report as lobbying expenses. And Farm Bureau has established operational policies that facilitate and reasonably assure the accuracy and completeness of lobbying expenses reported in our filed expense reports.

We think that reasonableness of cost for registration of lobbyists and principals has been a significant contributing factor in the positive effort that organizations and businesses have made so far in registration of persons engaged in lobbying and the expenses dedicated for lobbying activities. We fear that the degree of increase being proposed by the Department will have a chilling effect on the enthusiasm that organizations and businesses will have in future compliance with the Act and ultimately the accuracy of information on lobbying that the Act intended to be provided to the public. Many smaller organizations and businesses may be much harder pressed to absorb the high increase in registration fees being proposed, and as a result may not be as willing to register those individuals who are legally required to be registered under the Act. The absence of registration may, in turn, cause principals to be less accurate in expense reporting in an effort to keep those employees performing lobbying tasks under the thresholds of lobbyist registration.

In sum, Farm Bureau believes the Department needs to give much more thorough consideration of the potentially adverse impacts that any adjustment in the current fee structure will have on future compliance and accuracy of information on lobbying provided to the public before an adjustment is adopted. Again, we appreciate the opportunity for comment in this matter. We would be happy to respond to any questions you may have regarding the discussion above.

Sincerely,



John J. Bell
Government Affairs Counsel