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June 30, 2013

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

RE: Proposed Rule on Increasing Lobbying Registration Fees

Dear Ms. Bailey:

The Department of State proposal to increase lobbying registration fees by 350% is excessive and will erode transparency originally envisioned by the Lobbyist Registration statute.

While the Department seeks to increase user fees in order to address administrative costs, the proposed fee increase does much more than that. It effectively imposes a barrier to entry on those who would try to influence the legislative process. The issue transcends dollars and cents in that it creates a deterrent to expression and to free speech. This proposed fee increase is tantamount to a tax on freedom of speech.

The law requires registration as a way to keep track of lobbying practices, disclose lobbying expenditures and generally to increase transparency in the legislative process. Proposed Rule 16-56 will have the unanticipated consequence of forcing the small players to decide if public policy can be justified by their already tight budgets. Already stressed by limited income and rising costs, many will simply redirect resources to other areas. That works against a major assumption in our legislative process that all interests can have access to the system. By taxing these smaller groups, the Department of State is penalizing those who registered out of respect for the law who want to have a presence in Harrisburg.

For example, one of my clients pays me a flat rate of \$1,500.00 per year. It is an agricultural group and they simply do not have the resources to fully fund a full lobbying effort. Add another \$700 to their lobbying budget and they will ask if they can still afford to advocate for agricultural research funding. From this point, several things could happen to smaller and particularly non-profit principals. Hypothetically, groups could decide to:

- Bite the bullet, pay the increased fee (tax) at the expense of another priority such as membership recruitment
- Not spend the money to register and rededicate that money away from advocacy...in short, leaving the legislative field to larger interests with deeper pockets
- Go underground and lobby without formally registering

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In order for lobbying regulation to work, Pennsylvania needs more registration and transparency, not less.

In order for our political process to work, all interest regardless of size should feel that they are welcome assets into the political and legislative arena. If proposed Rule 16-56 is adopted, a consequence will be fewer registrations, not more. The collateral damage is that smaller groups will conclude that influencing legislation is only a game that the richer interests can afford. The last thing we need now is the additional cynicism that will come with this fee (tax) increase.

I ask that proposed Rule 16-56 be withdrawn.

Sincerely,

Vince Phillips

CC: Hon. Carol Aichele  
Hon. Daryl Metcalfe  
Hon. Mark Cohen  
Hon. Lloyd Smucker  
Hon. Matt Smith