

Rosie Smith/FEC/US

11/24/03 05:30 PM

To: Esa Sferra/FEC/US@FEC, Charisse  
Ledbetter/FEC/US@FEC, John Vergelli/FEC/US@FEC  
cc:  
bcc:  
Subject: American Community Bankers Petition

----- Forwarded by Rosie Smith/FEC/US on 11/24/2003 05:34 PM -----



Lawrence Norton

11/24/2003 05:24 PM

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To: Rosie Smith/FEC/US@FEC  
cc: James Kahl/FEC/US@FEC

Subject: American Community Bankers Petition

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"Moore, Mary M.-WDC" <MMoore@perkinscoie.com> on 11/24/2003 05:59:57 PM

To: LNorton@fec.gov  
cc: "Corley, Judy-WDC" <JCorley@perkinscoie.com>

Subject: American Community Bankers Petition

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November 24, 2003

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Mr. Larry Norton  
General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

**Re: American Community Bankers Petition for Rulemaking**

Dear Mr. Norton:

I am writing on behalf of the American Hospital Association ("AHA") in support of the American Community Bankers petition for rulemaking. The petition requests that the Commission open a rulemaking proceeding for the purpose of revising its rules to permit employees of member corporations to use payroll deduction to make political contributions to the separate segregated fund of an authorized trade association. For the reasons given below, the AHA fully supports the petition.

AHA is a national trade association representing hospitals of all types, health care networks, patients and their communities. AHA has close to 5,000 institutional members and 37,000 individual members. AHA's membership is geographically diverse and includes large and small, for-profit and not-for-profit institutions. Few of AHA's members maintain their own federal separate segregated funds. Consequently, for many of AHA's members, AHA's political action committee ("AHA PAC") is the primary avenue for federal political participation. AHA is proud to serve as the political voice for a membership that plays a critical role in the nation's economy and more importantly, is essential in meeting the health care needs of its people.

Participation in AHA PAC is of course voluntary. Like most trade associations, AHA is not in a position, even if it were so inclined, to coerce contributions from its members' employees. Because of its size and the diversity of its membership, it is costly for AHA to solicit, collect and deposit contributions. Unnecessary regulation of these activities only impairs voluntary participation in AHA's political committee. Once an individual has chosen to participate in the committee, requiring AHA to use an inefficient means to collect contributions serves merely as a tax on political participation. Imposing costly and time-consuming procedures on the collection and deposit of contributions is wasteful when the more efficient method of payroll deduction is available. AHA is at a loss to identify the

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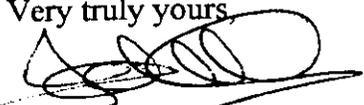
abuse at which the Commission regulation is directed. It is this apparent lack of an identifiable public purpose that strongly argues for the Commission to revisit its regulation.

If the existing regulation that prohibits the use of payroll deduction were merely a restatement of a statutory prohibition, AHA would not be asking the Commission to revisit this regulation. The origin of this regulation, however, is not in the statute. This regulation is a product of the Commission's own rulemaking authority. The regulation is nearly thirty years old and apparently has not been publicly reexamined since it was promulgated. Much has changed in those years relating to employee use of payroll deduction. Most importantly, the advent of computers and the Internet has enabled employers to empower their employees to use payroll deduction to make voluntary charitable donations, to make pension contributions, and to make health and life insurance elections. Payroll deduction has become a vehicle for employee choice. AHA strongly believes that the principle of choice should be extended to political participation. This petition offers the occasion for the Commission to do so.

AHA understands that the Commission has to make choices and determine what rulemaking projects to give priority. AHA believes that granting this petition is merited notwithstanding the other high priority projects of the Commission. First, it is a petition of very limited scope and a regulatory change can be easily effectuated. Second, this is important issue because a change will facilitate voluntary low dollar political participation that is an expressed goal of the Federal Election Campaign Act. Third, the existing regulation is not well justified and the Commission may well conclude upon reexamination that it is legally insupportable.

The AHA looks forward to more fully commenting on this matter, should the Commission grant the petition. In conclusion, AHA appreciates the Commission's consideration of these comments and would urge the Commission to grant the petition or in the alternative, include the proposed change in a related rulemaking.

Very truly yours,



Judith L. Corley

Counsel to American Hospital Association