

2003 NOV 21 P 12: 50

Advancing Your Success

November 21, 2003

John C. Vergelli, Esq.
Acting Assistant General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: Petition for Rulemaking Regarding Payroll Deductions

Dear Mr. Vergelli:

The American Society of Association Executives ("ASAE") urges the Federal Election Commission ("FEC" or "the Commission") to grant the petition for rulemaking filed by America's Community Bankers ("the Petition") and amend its regulations to allow corporate members of trade associations to use a payroll deduction for contributions. There are many compelling reasons why the Commission should permit corporate members of trade associations to use a payroll deduction mechanism for the members of their restricted class and there is absolutely nothing in the Federal Election Campaign Act ("FECA") that precludes such activity.

ASAE represents approximately 24,000 professionals who manage trade and professional associations. Many of the associations have corporate members who have given prior approval for their restricted classes to be solicited for contributions to the trade association's separate segregated fund ("SSF") pursuant to 11 C.F.R. § 114.8(d). In order to contribute, these individuals must write one or more checks or have their credit cards charged. ASAE believes that it would be far less burdensome for the individuals if they were able to contribute through the use of a payroll deduction. Furthermore, allowing trade associations to collect contributions via payroll deduction would also be beneficial to the associations and their corporate members.

In general, trade associations allow member companies (or individuals) to join together for a variety of reasons, including self-regulation, professional development, lobbying, and political activity. Just as entities are able to join together to create industry standards or to provide industry education – activities that would be difficult if undertaken individually – the restricted classes of corporate members are able to fund trade association SSFs in order to elect and support candidates who understand the interests of the association. Such activities are fully disclosed and regulated.

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Allowing trade associations to use a payroll deduction mechanism would increase the involvement of individuals in the political process. Given the concern about corporate activity in the election process, as evidenced by the enhanced corporate restrictions imposed by the Bipartisan Campaign Reform Act of 2002, the FEC should support efforts that would increase individual involvement in the election process. Allowing trade associations to use a payroll deduction will do exactly that.

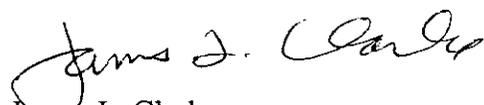
For those corporate members who do not have their own SSF, a trade association SSF may be one of the most straightforward and accessible mechanisms to participate in the political process for the individuals in the corporate members' restricted class. By allowing payroll deductions, those who are eligible to contribute are able to spread out their giving easily. If a corporate member does have an SSF, a payroll deduction for the trade association SSF would allow the members of the restricted class to contribute to the corporate SSF and the trade association SSF in the same simple fashion.

Moreover, as direct deposits of paychecks and automatic deductions are becoming more widespread, the simplicity of payroll deductions for a trade association SSF balances convenience to individuals while incurring a low or non-existent incremental cost for facilitating a payroll deduction contribution.

There is no legal reason why the FEC should retain the ban on the use of payroll deduction. The FECA imposes very specific restrictions on who may be solicited by a trade association comprised of corporate members and requires trade associations to obtain the permission of the corporate members before soliciting the restricted class. 2 U.S.C. § 441b(b)(4)(D). The FECA does not provide any restrictions on how the solicitation may be conducted once approval is given. Furthermore, given the fact that the FEC has allowed corporate members to facilitate contributions to trade association SSFs, *see, e.g.*, AO 2003-22, and has allowed corporate members to provide funds to the trade associations for SSF costs, there is no justification to restrict a member company from providing the use of a payroll deduction.

ASAE hopes that the FEC will modernize its regulations and simplify the process of contributing to trade association SSFs.

Respectfully submitted,



James L. Clarke
Senior Vice President, Public Policy & Strategic Relations
American Society of Association Executives

cc: R. Lee Culpepper, Chair, ASAE Public Policy Committee