



January 11, 2005

Brad C. Deutsch
Assistant General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RE: Proposed Rulemaking to Amend 11 CFR Part 114

Dear Mr. Deutsch,

The Manufactured Housing Institute (MHI) is the largest national trade association representing the manufactured housing industry. MHI represents nearly all manufacturers in our industry, as well as community owners, retailers, suppliers, lenders, and community owners. MHI respectfully submits the following comments relating to the proposed rulemaking published in the Federal Register on December 22, 2004 by the Federal Election Commission (FEC). MHI strongly supports the proposed rule that would amend the FEC's regulations to permit corporate members of a trade association to collect and forward contributions from its restricted class employees to the political action committee (PAC) of the trade association, including payroll deductions and a check-off system, upon written request of the trade association.

In general, any policy rationale for the prohibition against payroll deductions has been rendered obsolete over the years by the tremendous growth in the use of electronic methods for making and receiving payments. Payroll deductions have become the preferred method of transacting business by millions of Americans for a wide variety of goods and services. Health and life insurance premiums; flexible spending accounts; retirement savings plans; college savings plans; loan and mortgage payments; and charitable contributions are all funded today through the use of payroll deductions. This "spreading out" of automatic, regular payments is more convenient and less "fiscally painful" for many people, and has resulted in less personal economic upheavals such as delinquencies, repossessions and foreclosures.

Extending this system to corporate members of trade associations and their PACs will yield similar benefits to all parties of the transaction. As noted above, contributing employees would find it more convenient and affordable to have smaller, regular contributions deducted from their paychecks than to write a single check for a larger sum to the trade association's PAC. Member corporations would find it an efficient and inexpensive method to collect employee PAC contributions through automated payroll deductions. Trade associations would be able to reduce their PAC fundraising expenses while potentially growing the size of their PACs. This would help promote fairness for smaller trade associations such as MHI because larger trade associations and their PACs have greater resources to devote to their fundraising efforts. The end

result of a payroll deduction system would be increased participation by individuals in the political process and enhanced reporting of their contributions.

In addition most corporate members of trade associations do not have their own PACs and must rely upon their trade association's PAC to serve as their sole political mouthpiece. This is certainly true with MHI in that many of our members are relatively small in size and do not have PACs. Even our larger corporate members do not have PACs because they find it more convenient and effective to have the industry speak with one political voice through the MHI PAC. Trade association PACs have thus become the most accessible mechanism for political participation by employees of corporations that do not have their own PACs.

Finally, the proposed rule would level the playing field in that PACs sponsored by trade associations are at a disadvantage today compared with PACs sponsored by corporations and labor organizations in that current regulations permit payroll deductions to corporate and labor union PACs. Removing the prohibition on member corporations' use of payroll deductions to collect employee contributions for a trade association PAC would help rectify this inequality in the fund-raising abilities of trade association PACs versus corporate and labor union PACs.

For all these reasons, MHI respectfully urges the FEC to adopt a final rule allowing corporate members of trade associations to use payroll deduction to help fund their trade association's PAC.

Sincerely,



Chris Stinebert

President

Manufactured Housing Institute