

Missouri Bankers Association

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January 21, 2005

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

RE: Federal Election Commission; Notice of Proposed Rulemaking : 11 CFR Part 114;
Payroll Deductions by Member Corporations for Contributions to a Trade Association's
Separate Segregated Fund ; 69 Federal Register 76628, December 22, 2004

Dear Sir:

This letter is being written as a result of the request for comment by the Federal Election Commission (FEC) regarding the proposed amendments to the FEC's rules regarding contributions to the separate segregated fund ("SSF") of a trade association by employee-stockholders and executive and administrative personnel of corporations that are members of trade associations. These comments are being submitted on behalf of almost 400 Missouri banks and savings and loan associations by the Missouri Bankers Association (MBA), a Missouri trade association.

The threshold question is whether the regulatory prohibition against payroll deduction and check-off systems continues to make sense. The members of the MBA believe that the prohibition is an unnecessary restraint on participation in the political process and fails to reflect the use of technology in daily life. Payroll deduction is a common method widely used to make payments of many types. Contributions for charitable, savings, and other purposes are often made through payroll deductions and the mechanisms for recordkeeping and automation are well-tested and seasoned. Indeed, the Commission has historically permitted employee contributions to SSFs sponsored by corporations and labor organizations. There is no legal or logical reason for continuing the prohibition on payroll deductions from one segment of the populace while permitting it for another.

The proposal is well-grounded in the Commission's own regulations. As the Commission points out in the proposal, the Federal Election Campaign Act of 1971, as amended, at 2 U.S.C. 441b(b)(4)(D), allows trade associations to solicit contributions from restricted class employees of member corporations. 69 Federal Register 76629 December 22, 2004. In addition, the Commission's regulations provide that "(t)here is no

limitation on the method of facilitating the making of voluntary contributions which a trade association may use." 11 CFR 114.8(e) (3).

The meaning and breadth of the above provisions were further explained in the Commission's Advisory Opinion 2003-22, wherein the Commission authorized the collecting of voluntary contributions by a corporate member of a trade association from the member's restricted class employees and forwarding the contributions to the trade association's SSF. In addition, the Commission's Advisory Opinion 1999-35 permits restricted class employees' contributions to a trade association's SSF to be deducted from the contributors' depository accounts.

These provisions and the Commission's own interpretations demonstrate that the proposed change to permit payroll deductions is well-grounded in statute and regulation. Extending this authority to payroll deductions for a trade association's SSF is a logical and fair regulatory change that permits corporate members of trade associations the same opportunities that labor organizations and corporations themselves enjoy. For all of those reasons, we support prompt adoption of the proposed rulemaking. The proposed changes to the Commission's regulations would be consistent with the regulatory and statutory provisions mentioned above and would allow trade associations access to a means of collecting contributions that is currently available to corporations and labor organizations.

In addition, permitting payroll deductions would allow more individuals to make voluntary contributions and to do so more easily. This would increase the voice of those of modest means who don't have the same amount or type of access that a large corporation or special interest group enjoys.

Thank you for the opportunity to comment on the above proposed rule. If I can be of additional assistance, please let me know.

Sincerely,

Max Cook
President