



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 2, 2005

MEMORANDUM

TO: The Commission
General Counsel
Staff Director
Public Information
Press Office
Public Records

FROM: Brad C. Deutsch *BCD*
Assistant General Counsel

SUBJECT: Additional Untimely Comment on Payroll Deductions by Member Corporations for Contributions to a Trade Association's Separate Segregated Fund

Attached you will find one additional untimely comment submitted in response to the above Notice of Proposed Rulemaking, Notice 2004-18, published on December 22, 2004 (69 *FR* 76628).

Attachments

cc: Deputy General Counsel
Associate General Counsel
Congressional Affairs Officer
Executive Assistants



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Tel 202.737.9750 Fax 202.628.4716
www.nmma.org/government/pac

January 27, 2005

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

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
2005 FEB -2 A 9:49

Re: [Notice 2004-18] Payroll Deductions by Member Corporations for Contributions to a Trade Association's Separate Segregated Fund.

Dear Mr. Deutsch:

The National Marine Manufacturers Association (NMMA), the leading national creational marine trade association representing over 1,500 member companies that are involved in every aspect of the creational boating industry, offers the following comments on the *Rulemaking Petition: Payroll Deduction Contributions to a Trade Association's Separate Segregated Fund*.

NMMA endorses the comments submitted by America's Community Bankers (ACB) in its petition for a rulemaking to modify the Federal Election Campaign Act (FECA). NMMA enthusiastically supports the use of payroll deductions for contributions to a trade association's separated segregated fund (SSF) by a member corporation's executive and administrative personnel.

Specifically, NMMA urges the FEC to amend 11 CFR 114.8(c)(3) to allow trade associations to use payroll deductions as a means of encouraging voluntary contributions to trade association's SSF from its corporate members' restricted classes. As detailed by ACB's petition, this action is supported because:

- The petition represents a clearly permissible interpretation because no where in the language of the FECA or its legislative history requires exclusion of payroll deduction as a permissible method of obtaining contributions. In addition, the current prohibition is inconsistent with the FECA and other FEC regulations governing the facilitation of voluntary contributions. *See Advisory Opinion 2003-22.*
- The following strong factual and policy considerations provide additional reasons for supporting this action:

- The use of the electronic methods for making and receiving payments has grown tremendously since the prohibition took effect. The use of paper checks has been in steady decline since 1995 and the Federal Reserve predicts that that trend will continue, as consumers demand more convenient and quicker ways to pay for goods and services. *See* Remarks by Chairman Alan Greenspan, Federal Reserve Payments System Development Committee 2003 Conference, Washington, D.C. October 29, 2003.
- Payroll deduction is a common method employed by millions of Americans for a variety of regular payments.
- Recent revisions to the nation's campaign finance laws have made it harder for individuals to participate in the electoral process.
- Payroll deduction allows more individuals to participate in the electoral process by making voluntary contributions easier.

NMMA is hopeful that the FEC will soon amend the regulations to allow trade associations to use payroll deductions as a means of encouraging voluntary contributions to the trade association's SSF from its corporate members' restricted classes. Please do not hesitate to contact NMMA if there is anything the Commission may need from the recreational marine industry in this endeavor. You may contact Nick Tindall, PAC Manager at (202) 737-9762 or ntindall@nmma.org for further assistance throughout this process.

Sincerely,



Monita Fontaine
Vice President of Government Relations
National Marine Manufacturers Association