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01/18/2005 11:13 AM

To <paydeduct@fec.gov>
cc
bcc
Subject Comment Letter



January 18, 2005

Mr. Brad C. Deutsch
Assistant General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20436

VIA: E-mail: paydeduct@fec.gov

Dear Mr. Deutsch:

On behalf of the Tennessee Bankers Association, our affiliated Tennessee Bankers Association Federal Political Action Committee, and the 235 member financial institutions in Tennessee, I appreciate the opportunity to comment on the proposed rule to allow corporate members of a trade association to facilitate their employees making contributions to the trade association's PAC by payroll deduction. We strongly support the proposal.

The strong legal argument for supporting the rule has already been outlined in the proposed rule and by other proponents. Briefly, nothing in the language of the FEC or its legislative history requires exclusion of payroll deduction as a permissible method for obtaining contributions. The proposed rule represents only a further clarification and continuation of the commission's existing rules and advisory opinions which permit corporations to facilitate the collection and transmission of voluntary contributions to the corporation's trade association.

There are several strong policy arguments in support of the rule. First, the payment mechanism in the country is rapidly changing. The use of checks has declined rapidly, and the new Check 21 Act will facilitate the process of check clearing. This will further diminish the need for the use of

checks. Payroll deduction has become a common and accepted method for making payments, whether it's for mortgage payments, utility bills, or charitable contributions.

For the first time in this presidential election, contributions made online through the internet to political organizations increased dramatically. In turn, allowing a trade association to use payroll deduction would allow that industry's eligible contributors a more convenient and expedient means for making a contribution than the traditional method of writing a check. As a result, trade associations could compete more effectively in an internet-based marketplace.

Further, allowing a trade association PAC to use payroll deduction will enable a broader range of eligible contributors to participate. In the Tennessee Bankers Association, there are 235 member financial institutions. Less than 10 of these institutions have their own corporate PACs. Thus, the vast majority of eligible contributors cannot enjoy the convenience and timeliness of payroll deduction.

Again, thank you for this opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Amos". The signature is fluid and cursive, with the first name "Tim" being larger and more prominent than the last name "Amos".

Timothy L. Amos
Senior Vice President and General Counsel
timamos@tnbankers.org