



Testimony of John H. Graham IV, CAE
President and CEO, American Society of Association Executives (“ASAE”)
Legislative Hearing on H.R. 4975,
“The Lobbying Accountability and Transparency Act of 2006”
House Judiciary Subcommittee on the Constitution
April 4, 2006

Chairman Chabot, Congressman Nadler, and other distinguished members of the subcommittee, thank you for the invitation to testify on the important issue of lobbying reform.

I am John Graham, president and CEO of the American Society of Association Executives (“ASAE”), a 501(c)(6) tax exempt organization founded in 1920 and representing roughly 22,000 members, the majority of whom are the CEOs or senior staff professionals of trade, professional or philanthropic organizations in the U.S. and in 50 countries worldwide. Among the services provided by ASAE to its members are education and knowledge resources, credentialing, industry research, and advocacy on issues that impact or threaten to impact the success of the association and nonprofit community.

Lobbying is of course an important part of our political process and an essential function of many associations responsible for communicating the interests of groups of individuals, corporations, charitable institutions and others potentially impacted by legislation. According to a “Value of Associations” study conducted by ASAE in the last six months with Harris Interactive Inc. the average association dedicates about 14 percent of their budget to advocacy. The balance of a typical association’s budget is heavily weighted toward education and public information, meeting planning, standard setting, and so on.

Recently of course, we have all followed the media coverage about abuse of existing lobbying rules, and hence, we fully understand the need to reexamine these rules to ensure public accountability and trust in the political process. ASAE supports true reform that will provide for meaningful disclosure activity, needed reporting changes, and elimination of abuses. We ask only that, in its consideration of more stringent disclosure requirements and other reforms, Congress not inadvertently impede the ability of associations to carry out their primary missions for the public good, and that Congress

preserve its access through associations to firsthand information about the issues of the day and how they potentially impact vast constituencies of individuals across the country. Associations can be a tremendous public information source for Congress and other audiences. The last thing we want to see happen is the promulgation of new rules that effectively stymie access, and hence, these vital lines of communication.

To this point in the continuing discussion of lobbying reform, ASAE has focused its public comments on one proposal in particular – the proposed ban on privately funded travel – which we feel poses a serious threat to the exchange between Congress and associations at educational programs and conferences around the country.

Though the issue falls outside the interest of this subcommittee, I do want to commend Congress for its careful deliberations on the travel ban and other lobbying reform proposals. While recognizing the need for action in this area, Congress has avoided any rush to judgment that might result in unintended consequences for elected officials or the many associations who invite lawmakers and Hill staff to speak with their members.

Realizing the jurisdiction of the House Judiciary and its subcommittees, however, I will confine my remaining remarks to the provisions in H.R. 4975 on enhancing lobbying disclosure; enforcement; slowing the so-called “revolving door”; and prohibiting lobbyists on corporate flights.

Enhancing Lobby Disclosure:

ASAE is not opposed to quarterly filing requirements so long as the reporting processes are not overly burdensome from an administrative standpoint, and that the filing system is uniform for both the House and Senate. Requiring electronic filing seems both appropriate and conducive to the goal of increased transparency. A uniform, online filing system would seem to support Congress’s goal of creating an Internet database that is easily searchable by the public and reducing criticism that Congress and lobbyists seek to operate in a covert environment. ASAE supports making all lobbying disclosure forms publicly accessible to increase public perception and understanding of the legislative process and the role of associations and other organizations engaged in advocacy efforts on behalf of their constituencies.

H.R. 4975’s emphasis on increased disclosure instead of imposing federal limitations on lobbying offers a balance between the public’s need to know what interests are active in various policy debates, and the First Amendment rights of individuals and associations to petition government.

Enforcement:

ASAE is supportive of disclosure, but disclosure does little good without enforcement. A good example of this is at the IRS, which has oversight of 1.8 million nonprofit organizations in the U.S. The vast majority of tax-exempt organizations faithfully comply with the spirit and letter of the law in carrying out their important missions. But the IRS

has also identified enforcement in the tax-exempt sector as a key objective, to deter abuse and misuse of these organizations by third parties for tax avoidance or other unintended purposes. We certainly support efforts to curb abuse in our sector, but the IRS in many ways lacks the resources it needs to properly enforce the laws on the books. If the IRS had the resources to scrutinize the nonprofits that disgraced lobbyist Jack Abramoff had involvement with, and whether contributions to these groups were used to influence lawmakers, we might not be having this hearing today. Lobbying is necessary, but like any activity, it requires regulation and enforcement to ensure that everyone is playing by the same rules.

Random audits of lobbying disclosures seem a responsible safeguard against complacency or incomplete reporting. ASAE supports increased oversight and enforcement of lobbying reports, but suggests the House and Senate designate one oversight body to report violations by lobbyists for prosecution in the interests of avoiding duplicative, time-consuming activities that could result in increased administrative compliance for associations and other lobbyists as well. This designated oversight body could issue annual reports to both chambers of Congress.

Slowing the ‘Revolving Door’:

The term “revolving door” has been commonly used in discussions of lobbying reform, but it implies to me that there are an endless number of former members of Congress or staffers who leave their positions to take jobs as lobbyists for associations or multi-client firms. I know that does happen, but it’s not the norm.

It’s been my experience in 30+ years in association management, including 13 years as CEO of the American Diabetes Association before joining ASAE, that governing boards or executive search committees hire the best person for the job. Association executives should be hired for their leadership abilities and professional acumen.

The vast majority of association CEO positions are filled by an experienced association executive or someone with expertise in the industry or profession that the association represents. ASAE has no objection though to maintaining the one year “cooling off” period in cases where a former member of Congress is hired.

Prohibiting Lobbyists on Corporate Flights:

ASAE supports the proposal in H.R. 4975 to prohibit registered lobbyists from accompanying members of Congress on corporate flights because it cures a public concern about extravagance. Lobbyists should certainly be free to communicate a legislative agenda, but any restrictions that put that activity on a level playing field seem warranted and ultimately beneficial to the political process.

I do want to reiterate, however, the value we see in members of Congress getting outside Washington, DC, and engaging in truly educational dialogues with members of the association community or other constituencies with real concerns and information to

share. ASAE believes there should be a clear distinction between trips on corporate jets to exotic locales where the agenda is more socially or recreationally driven, and educational trips to an association meeting or conference, where an association might pay for an elected official's domestic plane or train ticket.

We have suggested in our communications to Congress on this issue that a pre-approval and disclosure process for privately funded congressional travel would be an amenable solution to concerns about travel, while still preserving the valuable perspectives gained when members of Congress attend legitimate, educational meetings around the country.

Conclusion:

In conclusion, I want to thank Congress for recognizing the need to enhance accountability and public trust in our legislative process, and for avoiding a rush to judgment on any one proposal that may have resulted in unintended consequences for us all.

H.R. 4975 is a comprehensive bill that represents input and feedback from a lot of members of Congress, constituents and outside experts, and ASAE is confident Congress will pass a good bill.

Thank you again for the opportunity to share the perspectives of the association community, and please consider ASAE a ready resource in your continued deliberations.

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