Information Mgmt + Development Group
12812 Rm 4131
OISS

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-129874
GG8-330

FEB 11 1980

The Honorable Lawton Chiles
Chairman, Subcommittee on Federal
Spending Practices and Open
Government
Committee on Governmental Affairs
United States Senate

SEP06609

Dear Mr. Chairman:

As you requested, we have assessed the paperwork burden of S. 2160, which requires public disclosure of certain lobbying activities to influence issues before the Congress. Also, we have assessed S. 1782, a lobbying disclosure measure sponsored by Senators Mathias, Muskie, and Pryor. Senator Pryor asked us to conduct such an analysis during hearings held before the Committee on September 25, 1979.

Charles McC. Edmund S. David H.

We analyzed the paperwork burden on respondents for use by the Committee during its deliberations and markup of the bills and to help the Committee prepare a regulatory impact statement required by Senate Rule 27.6 on the bill that is reported.

REQUIREMENTS OF SENATE
STANDING RULE 27.6

Senate Rules Standing Rule 27.6, formerly 29.5, requires that the report accompanying each bill or joint resolution of a public character reported by any committee of the Senate (except the Committee on Appropriations) ~~shall~~ contain an evaluation of the regulatory impact that would be incurred in carrying out the proposed legislation.

Such evaluation shall include an estimate of the number of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses. It also shall determine the amount of additional paperwork that will be required to carry out the bill, including estimates of the amount of time, financial costs, and recordkeeping requirements.

008621

[Comments on S. 2160 and S. 1782]

B-129874
GG8-330

TYPES AND NUMBER OF RESPONDENTS AFFECTED

The number of organizations and individuals that would be affected by S. 2160 and S. 1782 cannot be precisely determined. However, the number would be greater than under the current lobbying law, the 1946 Federal Regulation of Lobbying Act, because the current law requires only organizations and individuals whose principal purpose is lobbying to register and report. Yet, a large number of individuals and organizations frequently lobby but do not register and report their activities because they do not consider lobbying to be their principal purpose.

To illustrate, about 3,000 individuals and organizations currently register and report their lobbying activities. However, two nationwide news publications have estimated that from 5,000 to 15,000 individuals, representing various organizations, engage in lobbying activities.

The lack of information about lobbying activities and who conducts them is one of the fundamental reasons for developing new lobbying disclosure legislation. Therefore, we do not find the absence of data on the number of organizations which would be affected surprising. In fact, we believe it tends to support the need for such legislation.

The types of respondents that will be affected by both bills include corporations, companies, foundations, associations, labor organizations, firms, partnerships, societies, joint stock companies, organizations, organizations of State or local elected or appointed officials, groups of organizations, and groups of individuals.

PAPERWORK BURDENS DO NOT APPEAR EXCESSIVE

We were unable to quantify the paperwork burdens which would be imposed by S. 2160 and S. 1782. However, our general impression is that neither bill would place excessive burdens on respondents. The bills would require more paperwork than the current law. This is unavoidable because the present lobbying law is universally considered ineffective--from the standpoint of the law itself, its administration, and its enforcement--and the bills are designed to require

additional and more useful information to correct the current law's weaknesses. Yet, because neither bill requires minute disclosure by organizations and because they provide for exemptions, limits on types of information reported, and reporting alternatives, the burden would probably not be excessive.

Senate bill 1782 would require less burden on respondents than S. 2160 because it does not require as much disclosure. Whether certain lobbying activities should be disclosed at additional cost to respondents to more fully inform the public and the Congress of such activities is a policy matter for the Congress to decide.

We were unable to quantify the additional paperwork burden of the bills because:

--Organizations interpreted the provisions differently; thus, their burden estimates varied significantly.

--Some organizations could not provide reasonable estimates of the bills' effect on them; thus their comments were vague and general.

--Organizations were not equally affected by the disclosure requirements. Consequently, some estimated the burden would be minimal and others estimated the burden to be substantial--depending upon the size of the organization, and the type and extent of its lobbying activities.

In general, we believe both bills contain only information requirements necessary to accomplish the intended purposes. Both bills have limited the paperwork burden on respondents through three methods: (1) exempting certain lobbying activities or organizations, (2) limiting the amounts and types of information required, and (3) allowing alternative methods of reporting.

For example, S. 2160 exempts from disclosure (1) lobbying activities made by employees of the Federal Government, (2) lobbying in the form of public testimony or submissions for the public record, (3) communications made in the media,

except paid advertisements, (4) communications by an individual solely for redress of personal grievances or solely to express his or her personal opinion, (5) a communication to Senators or Representatives or their personal staff if the organization's principal place of business is in the Members' home state, (6) strictly informational contacts, (7) certain solicitations between affiliates, (8) lobbying efforts under $5,000 per quarter, (9) lobbying by church related organizations, and (10) certain lobbying communications made at the request of a Federal officer or employee.

With some differences, S. 1782 further exempts from disclosure: (1) lobbying of all executive branch officials and GAO officials, (2) grassroots lobbying efforts, and (3) contributions to lobbying organizations.

These exemptions substantially reduce the potential paperwork burden on respondents. However, to take advantage of some of these exemptions, organizations may incur additional paperwork burdens to identify and segregate exempt and nonexempt lobbying activities and expenditures.

Both bills limit the amount of information to be reported. For example, for direct lobbying, both bills generally require disclosure of only direct expenses for lobbying and specifically exclude such indirect costs as utilities, monthly rental or mortgage payments, and telephone expenses. Both bills allow reporting organizations to rely on information submitted to them in good faith without requiring detailed verification of the information.

Finally, both bills allow organizations several alternative methods of reporting. For example, S. 2160 allows reporting of employee expenditures either as the daily rate of pay or the quarterly salary of the employee. Senate bill 1782 allows similar alternative methods of reporting. For certain tax exempt organizations, both bills allow substitution of certain information these organizations currently report to the Internal Revenue Service (IRS).

SCOPE OF WORK

Our work consisted of analyzing Senate and House lobbying disclosure bills and related testimony, and comments and

reports in both the 95th and the 96th Congress. We also interviewed officials representing 11 organizations that may be affected by the bills' reporting requirements to obtain estimates of the paperwork burden. The organizations we contacted included three major manufacturing companies, a labor union, two environmental interest groups, a business association, two public interest groups, an education association, and a church related group.

There are some provisions in both bills which we believe should be clarified to avoid creating unintentional paperwork burdens. The following enclosure discusses each bill separately in terms of its potential paperwork implications and, where appropriate, comments on issues which we believe the Committee should address.

We hope this information will prove useful to you and the Committee, and we will be pleased to provide whatever additional assistance you might require.

Sincerely yours,

R.F.KELLER

Deputy Comptroller General
of the United States

Enclosure

ENCLOSURE I

Senate Bill 2160

PAPERWORK ASSESSMENT OF S. 2160 AND S. 1782

I. APPLICABILITY OF ACT (Section 4)

Section 4 defines who must comply with the bill's registration, recordkeeping, and reporting reqirements. Generally, the threshold tests appear to be fairly explicit, although we believe they should be reassessed after a period of experience. However, some issues raise interpretation problems which could have substantial paperwork implications on respondents. These issues are employee lobbying communications and affiliate reporting.

A. Threshold tests

Under subsection 4(a), the registration and reporting requirements would apply to organizations that spend more than $5,000 in any quarterly filing period to retain another person to engage in certain lobbying activities on its behalf. They also apply to any organization which, acting through its employees, makes a specified minimum number of lobbying communications during a quarter and spends more than $5,000 on lobbying during the same period.

The increase from the $500 level specified in S. 1564 will reduce the overall paperwork burden on respondents by eliminating reporting by organizations whose lobbying activities are not regular, intense, or costly. It will also reduce the Government's cost to collect, process, and store such information that may be of very limited practical usefulness.

The paperwork burden on reporting organizations is eased by the type of expenditures that are counted toward the threshold level. Only easily identifiable expenditures, such as daily salaries of employees or daily rate of expenditure for retainees, are counted toward the expenditure threshold tests. Indirect expenses, such as overhead, utilities, mortgage payments, etc., are not counted. This provision should make it fairly simple for an organization to determine whether it must register and should involve minimal paperwork burden. None of the organizations we contacted indicated any substantial problems in identifying expenditures for retainees. Also, it should be fairly easy to determine the daily salary of an employee who lobbies.

B. Employee lobbying

Several of the organizations we contacted indicated that there would be difficulty in determining precisely when an employee's lobbying communication is made on behalf of the organization or as an individual to express his or her personal grievances or a personal opinion. The latter type of communication is exempt from coverage under the bill, and the difficulty in differentiating between the exempt and non-exempt employee communications presents substantial paperwork implications. For example, the chief executive officer of a lobbying organization may share the same views as the organization he represents, and claim to be lobbying on those views in his personal capacity. Is this chargeable to the organization?

To avoid these problems and their potential paperwork burdens, we recommend that the Committee formulate a clear and objective test for determining when an employee's lobbying communication is chargeable to the organization.

C. Affiliates

Subsection 4(a)(3) provides that registration and reporting would not be required of affiliates which engage in lobbying activities if the registered parent organization reports on behalf of these affiliates. However, the bill does not require a parent organization to report for its affiliates. An affiliate may register and report on its own behalf, provided it crosses the threshold.

Based on our analysis of the bill and discussions with respondents, the bill is vague on several issues which raise interpretation problems that have potential paperwork burden implications. For example:

1. If the parent reports for its affiliate(s), do the expenditures of the affiliate(s) count toward the lobbying expenditures percent threshold for contributor disclosure?

2. Must an accumulation of small contributions (less than $3,000) made by a single contributor to several affiliates be made to determine whether that single contributor gave more than $3,000 cumulatively to the affiliate(s) and the parent?

3. If a parent reports for its affiliates, do the affiliates lose their "home-state" lobbying communications exemption? (If the affiliates register as a lobbying organization they are exempted from reporting "home-state" lobbying communications as described in subsection 3(9)(D).)

4. Suppose a parent registers for only its affiliate(s) that exceeds the threshold in that quarter. But, in the following quarter, a different affiliate(s) crosses the threshold level and/or the original listed affiliate(s) does not exceed the threshold level in the following quarter, must the parent's registration be updated?

The resolution of the affiliate issue will have a substantial effect on the amount of paperwork required of both affiliate and parent organizations. Several organizations indicated that they would not register for their affiliate(s) because of the greater paperwork burdens. It is obvious that it would be to the substantial advantage to the parent not to register for the affiliate(s).

On the other hand, an official of one organization said that the organization would register and report for all affiliates even though it was aware of the potential paperwork problems. In this circumstance, it would appear that the organization will elect to incur greater paperwork burdens than seems necessary. The bill allows organizations to have some control over the paperwork burdens by allowing alternative methods of reporting.

II. REGISTRATION OF LOBBYISTS (Section 5)

A. Basic registration data

Section 5 would establish the requirements for registration of lobbyists. The identification and characteristic data would impose a minimal amount of paperwork burden.

B. Contributor disclosure

Subsection 5(c)(2) would require organizations that are renewing their registration to list the name and address of each organization from which the registered organization received $3,000 or more in dues or contributions during the preceding year. However, this contributor disclosure

is required only if, during the preceding year, the lobbying expenditures reported by the registered organization exceed 1 percent of the total expenditures by that organization and the contributions were used for lobbying.

Establishing a lobbying expenditure percentage threshold level would eliminate any paperwork burden for organizations which do not spend a significant amount of their total expenditures for lobbying. Determining whether the organization would exceed the threshold level could easily be accomplished by a simple mathematical calculation.

If the organization met the threshold, the paperwork burdens could be mixed. For some organizations which do not currently maintain contributor information, additional paperwork burden would be necessary to establish cost centers to accumulate this data. For others which maintain this information, the burden would be minimal. The following comments of the 11 organizations we interviewed indicate to some degree the extent of the problems that may occur.

Six (55 percent) of the 11 organizations said they would not meet the expenditure threshold level and consequently there would be no paperwork burden. These organizations are basically large businesses or organizations that do not finance their lobbying activities with contributions. The remaining five organizations indicated that the reporting burden would be minimal because they currently keep records identifying major contributors. Although none of the organizations we contacted indicated that contributor disclosure would cause major problems for them, it would cause some difficulty for organizations that do not maintain these records. To illustrate one problem, contributors do not always make their contributions in a single payment only once a year. Consequently, to determine whether any contributor gives over $3,000 during the year would require separate subsidiary accounts by contributor to determine the total of all contributions from that source during the year.

III. REPORTS (Section 6)

Section 6 would establish the quarterly reporting requirements for organizations that exceed the lobbying threshold tests. Generally, the identification information and negative reporting required of organizations would involve minimal paperwork burdens.

A. Expenditures over $35 for the benefit of any Federal officer or employee

Section 6(b)(2) of S. 2160 requires that each reporting organization provide an itemized listing of each expenditure in excess of $35 made during the quarterly period on behalf of, or for the benefit of any Federal officer or employee. This reporting requirement could have varying paperwork implications.

Seven of the organizations we contacted said that they did not make expenditures of this type. Two organizations advised that such expenditures would be readily available from their accounting records and that a minimal amount of effort would be required to compile and report the data. Other organizations have stated that this reporting requirement would cause substantial paperwork burdens to keep track of cash and in-kind gifts in excess of $35. This requirement would have the greatest impact on large multipurpose organizations, especially those that conduct a great deal of business with the Government.

B. Expenditures over $500 for receptions, dinners, and similar events

Section 6(b)(3) requires each reporting organization to disclose expenditures for any reception, dinner, or similar event which was held specifically for the benefit of any Federal officer or employee and the cost of which exceeded $500.

Most of the organizations we contacted indicated that the additional paperwork burden imposed by this requirement would be minimal because they rarely hold such events. However, one organization stated that it would have to revise its computer system in order to accumulate this data. It estimated that this programing effort would require the time of one programer for 3 to 4 weeks. Another organization advised that this data would be available from its current accounting records, and it would impose minimal paperwork burdens to collect the data.

C. Reporting on most significant issues

Section 6(b)(6) requires each organization to include in its quarterly reports, a description of the 20 or fewer issues on which it engaged in lobbying communications during

the quarter and on which it spent the most significant amount of its lobbying effort. This limitation to 20 issues is an attempt to reduce the reporting burden on organizations.

The organizations we contacted said that in some instances the limitation could substantially increase--not reduce--the recordkeeping burden on organizations which lobby on more than 20 issues. This could occur because of the necessity to establish a cost system to identify the most significant issues. Additionally, the definition of an "issue" could have an impact on the usefulness and quality of data reported.

Determining the 20 most significant issues

Seven of the 11 organizations we contacted said that it would be costly to determine the 20 issues on which they spent the greatest effort. They indicated that no accounting records to associate the time or money spent by issue are currently maintained. In fact, one organization said it would report all the issues on which it lobbied to avoid the paperwork burden to identify the issues by time or cost.

To illustrate some of the problems, a representative of one organization stated that it does not record costs or time by issue and to do so would require a detailed recordkeeping system to be set up at both the national and local levels. A representative for another organization stated that to rank the issues on a quantifiable basis would require new forms for time reporting as well as creating and maintaining more detailed cost records than the organization now maintains. Representatives of another organization said that to obtain data needed to quantify issues based on the most significant effort, their computer accounting system would have to be revised. Representatives of a major corporation said that a significant amount of recordkeeping and paperwork would be required to rank lobbying issues by effort and that such an undertaking did not appear practicable.

What is an issue?

Further complicating the problem is the lack of guidance on how an organization should report and describe an issue. As defined by S. 2160, the term issue is "the totality of all matter, both substantive and procedural, relating to any bill, resolution, treaty, report, nomination, or any hearing or investigation."

Under this definition, an issue could be reported as a bill, a portion of a bill, a number of bills on a single subject, a particular subject matter in a number of unrelated bills, a general subject matter, or other matters such as hearings, nominations, investigations, etc. Because the issue could be reported in various ways, an organization could encounter considerable difficulty describing and accounting for its issues.

Unless the term "issue" is more clearly defined, the information reported may not be susceptible to meaningful summarization and may have limited practical usefulness.

D. Direct business relationships

Subsection 6(b)(7) would require disclosure of each known direct business relationship between the reporting organization and a Federal officer or employee whom such organization has sought to influence during the quarter. Based on the comments of the organizations we visited, this requirement will not impose a significant additional paperwork burden on most respondents.

Of the 10 organizations that commented on this requirement, 8 stated that there would be no additional burden because they would avoid relationships of this type. One said that the requirement would not present a problem for the Washington office but could present a problem for affiliates as the Washington office would not be aware of such relationships at lower levels.

One large corporate organization said that it would be extremely difficult, if not impossible, to identify Federal officers or employees that have direct business relationships with the company. At our request, they attempted to identify individuals with such business relationships. Only through personal knowledge did one of its officials identify one such relationship. The official indicated that the principal problem was that business relationships are generally conducted between corporate entities and, in many cases, the specific individuals involved are not readily known.

E. Solicitations

Subsection 6(b)(8) would require disclosing certain information if the organization spends in excess of $5,000 in a quarter for lobbying solicitations--commonly known as grassroots lobbying. The bill attempts to minimize the reporting burden by providing that:

--No organization will have to report any solicitation activities if it does not exceed the direct lobbying thresholds described in section 4--$5,000 in a quarter.

--Reporting of solicitations is required only if the total of such expenditures exceed $5,000 in a quarter.

--Only solicitations which directly urge, request, or require another person or an affiliate to advocate a specific position on an issue and seek to influence a Member of Congress are covered.

--Only direct expenditures for retainees, postage, telegraph, advertising, printing, distribution, and other direct and easily identifiable payments are counted toward the threshold test for reporting. Generally, these types of expenditures can be easily identified and reported.

--Solicitations individually costing more than $1,000 must be reported with a limit of 20 issues.

--Only expenditures in excess of $1,000 for retainees who prepared the solicitations must be reported.

--Solicitations by one registered organization to another registered organization do not have to be reported. This will reduce the paperwork burdens for parent organizations where affiliates are also registered.

--Certain charitable organizations defined in section 501(c)(3) of the Internal Revenue Code are allowed to report their solicitation expenditures in the same manner as they report to IRS. This will substantially limit their paperwork burdens.

These provisions should assist in reducing the paperwork burdens on respondents. However, our work showed that, depending upon the type and size of the organization, the paperwork burdens could vary.

Of the nine organizations that provided some estimates of the paperwork burden, five said they currently maintain records that could be used to provide some of the required information, but they would have to develop additional records

to accumulate all the required information. For example, they currently maintain records that would assist in identifying total costs of solicitations but would have to develop more detailed records to allocate reportable costs to a particular issue and to identify that portion of the reportable costs made for solicitations rather than for other purposes.

Three organizations indicated they would be exempt from disclosure because their activities were less than the reporting threshold or they conducted no lobbying solicitation activities.

One official of a major manufacturing company indicated that it would involve a substantial amount of effort to gather the required information, primarily because of the size of the organization. Large organizations would have difficulty in determining whether, cumulatively, it triggers the disclosure provisions. Also, several organizations mentioned that, for protection purposes, they would establish recordkeeping systems to determine if and when they exceed the threshold and trigger the reporting requirements.

It appears that the paperwork burden of the solicitation disclosure requirements depends on the size of the organization, the number of physical locations of the organization, whether it reports for its affiliates, and the extent of lobbying solicitations carried out by its different offices and/or affiliates. Very large organizations with scattered locations and numerous affiliates would probably incur much greater paperwork burdens because of the need to establish a comprehensive information-gathering system in order to submit a unified report.

However, many organizations currently are required to keep certain records on grassroots solicitations. Taxpayer and certain tax exempt organizations should be able to draw to some extent upon records and accounting systems already maintained under the Internal Revenue Code. Under subsection 6(b)(8)(A)(iii) of the bill, certain tax exempt organizations may satisfy the bill's expenditure disclosure obligations for grassroots lobbying by following substantially the same accounting and reporting procedures as are followed when filing IRS statements. As for taxpayer organizations, the IRS Code generally allows deductions for direct lobbying, but disallows deductions for grassroots lobbying. To the extent existing records and accounting

systems are used to document or identify deductible and non-deductible lobbying expenditures, these systems could be used to facilitate compliance with S. 2160. Also, the Federal Energy Regulatory Commission requires gas pipelines and electric utility companies to report their lobbying expenditures.

While the definitions of lobbying and thus the types of records kept for these purposes are not identical to those required for this bill, these records may be used to some extent, thereby reducing the additional paperwork burden on some respondents.

IV. RECORDS (Section 7)

Five-year record retention period

Section 7(c) requires that records be preserved for a period of not less than 5 years after the close of the quarterly filing period to which they relate. The present lobbying law has a 3-year retention period. Accordingly, four of the organizations visited said that the additional 2-year retention period would impose additional costs for storage. The remaining organizations did not feel this requirement imposed a significant additional burden.

We recommend the bill's record retention requirements be keyed to the statute of limitations applicable to the filing of civil actions under the bill.

V. ENFORCEMENT (Section 9)

Civil investigative demands

Subsection 9(e)(2) provides that as part of the enforcement procedures, the Attorney General may serve a civil investigative demand (CID) on any person which he has reasonable indication is violating or may have violated the Act. The CID requires the production of documentary material for inspection and copying. One major manufacturing organization saw this as a significant potential paperwork burden.

The organization's representative stated that the use of the CID as an enforcement tool would lead companies (1) to maintain more detailed records than normal in anticipation of a CID and (2) that if a CID request was made,

a great deal of time would be required for the company to gather all the documents and information needed to satisfy the demand. After the data was assembled, the company would probably make a copy of each document because it would not want to part with its only copy of its records. He further stated that the use of a CID presented a contingent paperwork burden which must be planned for, even though a CID might never be issued.

It should be recognized, however, that the provisions of S. 2160 do not require maintaining additional records in anticipation of compulsory process such as a CID or discovery under the Federal Rules of Civil Procedure.

Senate Bill 1782

Senate bill 1782, requires much less disclosure of lobbying activities than S. 2160. Specifically, it does not require disclosing:

--contributions;

--solicitations, commonly known as grassroots lobbying;

--lobbying of executive branch officials;

--expenditures in excess of $35 for the benefit of any Federal officer or employee;

--expenditures over $500 for reception, dinner, or similar event which is held specifically for the benefit of any Federal officer or employee; and

--known direct business relationship between the reporting organization and a Federal officer or employee whom such organization has lobbied.

These are major differences, and exclusion of these lobbying activities from disclosure will result in a lesser paperwork burden on respondents.

There are some additional differences between S. 1782 and S. 2160. The following is our analysis of the paperwork implications of some of these differences. Where the registration and reporting requirements are similar for the two bills, our comments on the paperwork implications of S. 2160 are equally applicable to S. 1782.

I. APPLICABILITY OF ACT (Section 4)

Section 4 would define who must comply with the registration, recordkeeping, and reporting requirements and are similar to requirements in S. 2160. These requirements would make it fairly simple for an organization to determine whether it must register and would involve minimal paperwork burden on respondents.

A. Affiliates

The definition of an affiliate is much narrower in S. 1782 than in S. 2160. Senate bill 2160 defines affiliate, in part, as an organization which is actually or potentially controlled by another organization (the parent organization). Senate bill 1782 narrows the definition of affiliate so that the parent organization must have direct control over another organization for that organization to be considered an affiliate. Thus, under S. 2160 some organizations that are loosely tied to another organization may be considered affiliates for registration and reporting purposes. With one exception, this distinction would have no paperwork burden effect. The affiliate that is not directly controlled by the parent may, under S. 1782, be considered as an independent organization, thus incurring a nominal increase in paperwork burden because it must register and report separately if it exceeds the threshold tests.

The paperwork problems incurred by a parent organization reporting for affiliates under S. 1782 would be similar to those under S. 2160, as discussed on pages 2 and 3.

B. Retainees

Subsection 4(a) would provide that an organization which makes expenditures in excess of $5,000 for retaining another person or persons to make lobbying communications would be subject to the registration and reporting requirements of the bill. The major difference between this provision and the similar threshold test in S. 2160 is that this provision does not include expenditures made to the retained person or persons for "drafting" of lobbying communications--only for making communications.

There would be no paperwork burdens on the retained organization under S. 1782 if it performs only a drafting function. However, if the retained organization both drafts and makes lobbying communications, the paperwork burden would

increase under S. 1782 because that organization would have to establish an accounting system to identify and segregate those expenditures for drafting--which are not disclosed; and expenditures for making lobbying communications--which are disclosed.

II. REGISTRATION (Section 5)

Section 5 would require each organization crossing the lobbying thresholds to register with the Comptroller General within 30 days. These registration requirements, with the exception of contributor disclosure, are similar to the requirements in S. 2160. Generally, the types of information required would place minimal paperwork burden on respondents.

A. Lobbying issues

Subsection 5(b)(2) would require the reporting organization to generally describe the types of issues on which it intends to engage in lobbying communications. This disclosure is not required by S. 2160 and would impose an additional paperwork burden on respondents. However, we have reservations as to the usefulness of this information.

First, this registration disclosure requirement could duplicate information reported in the registrant's quarterly report. Second, the provision would require disclosure of "issues". Thus, the "issue" definition as discussed on pages 6 and 7 may cause confusion and problems to the reporting organization. Finally, the reporting requirement asks for a projection of those issues on which the organization intends to lobby. The organization may not be in a position to identify these issues in sufficient detail and/or it might not be known what specific issues will be considered by the Congress. Thus, this information might be so general as to have limited usefulness.

B. Registration effective period

Each registration is effective until January 1 of the succeeding year. As distinguished from S. 2160, there is no requirement for the organization to notify the Comptroller General of its termination of the registration and the fact that it will no longer engage in reportable lobbying activities. Thus, there is a nominal decrease in paperwork burden under S. 1782 for an organization to terminate its registration.

III. REPORTS (Section 7)

Section 7 would require registered organizations to file quarterly reports on their lobbying activities with the Comptroller General. The information required is limited when compared to the disclosure requirements of S. 2160. Thus, the overall paperwork burden for reporting would be less than required in S. 2160.

A. Direct expenses

Subsection 7(b)(2) would require an estimate of the total direct expenses which the organization made with respect to lobbying communications during the quarter. This requirement differs from the reporting requirements of S. 2160. Generally, both S. 2160 and S. 1782 require disclosure of fee or salary expenditures for retainees and employees. However, S. 1782 requires disclosure of additional information on "direct expenses" made for direct lobbying communications. These are expenditures for mailing, printing, advertising, consultant fees or the like that are directly attributable to lobbying communications. Respondents would face an additional paperwork burden to collect and report this information.

Senate bill 1782 further limits reporting by exempting certain travel and per diem expenses from disclosure. While this may eliminate the reporting burden, organizations may have to establish systems to identify and segregate such exempt travel related expenses. This situation would most probably occur in the case where the fee paid to a retained person includes travel expenses.

B. Retainee and employee lobbying communications

Subsection 7(b)(3) would require disclosure of the identity of any retainee and employee who lobbies above the threshold levels. This requirement is similar to the disclosure provisions in S. 2160 and carries the same potential paperwork implications as discussed on pages 1 and 2.

C. Issue disclosure

Subsection 7(b)(4) would require the disclosure of a general description of the 10 issues which the organization estimates accounted for the greater proportion of time spent

in making lobbying communications. Although these requirements are somewhat more general than the issue reporting requirements contained in S. 2160 and the limit is 10 as opposed to 20 issues, the significant problem of reporting an issue are common to both bills. Also, the subsection requires organizations to account for the issues by time, thus the organization will have to maintain records of time spent lobbying particular issues. Because other provisions of the bill are keyed not to time spent lobbying, but to lobbying contacts and lobbying expenditures, we believe this requirement will impose additional recordkeeping burdens.