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Don Fox
Acting Director and General Counsel
Office of Government Ethics
1201 New York Avenue, NW
Suite 500
Washington, DC 20005-3917

**Re: Office of Government Ethics Proposed Amendments Limiting Gifts from Registered Lobbyists and Lobbying Organizations
(RIN 3209-AA04)**

Dear Mr. Fox:

This letter is a response by the Equipment Leasing and Finance Association (“ELFA”) to the Office of Government Ethics’ (OCE) Proposed Amendments Limiting Gifts from Registered Lobbyists and Lobbying Organizations (RIN 3209-AA04) that would prohibit federal employee’s attendance at trade association educational and professional development events, seminars, and trade shows. We are concerned that the proposal as written would severely limit the ability of federal employees to attend meetings held by associations organized under section 501(c)(6) of the tax code.

Background on ELFA

ELFA is the trade association that represents financial services companies and manufacturers in the U.S. equipment finance sector. In 2010, this industry’s equipment finance volume was \$559 billion and its financing volume is projected to be \$628 billion in 2011. Overall, business investment in equipment and software accounts for 8.0 percent of the U.S. Gross Domestic Product (GDP) and the commercial equipment finance sector contributes about 4.5 percent to the GDP. ELFA members finance the acquisition of all types of capital equipment, including commercial and corporate aircraft, rail cars and rolling stock, trucks and transportation equipment, vessels and containers, construction, agriculture and off road equipment, medical technology and equipment, IT equipment and software and virtually every other type of equipment.

Concerns Regarding Proposed Amendments

ELFA has three core missions: be a forum for industry development; act as a platform to advocate for the industry; and be the principle resource for industry information and ethical standards.

As a core mission, ELFA strives to be a forum for industry development and this includes ongoing continuing education for its member companies’ employees. This mission specifically involves educational events and conferences, professional development programs, and e-learning. Our Principles of Equipment Leasing and Finance Workshop, designed to train new

employees on the basics of the leasing industry, has been offered to members for over 20 years and is a trusted, independent source for beginning lease and finance professionals. The Association provides three web-based courses specifically designed for the equipment leasing and finance industry and the online ELFA Academy hosts thirty-two online courses and over fifty archived web seminars for member companies to utilize for employee training. Over the last five years, the Association delivered eighty-nine web seminars, designed to address our member companies' education needs. Finally, ELFA holds a series of best practices roundtables for our members, based on their needs and requests, allowing them to exchange information among peers in the industry.

ELFA takes exception to the statement by OGE in the proposed rule that trade associations "may sponsor educational activities for their members and even the public, but the primary concern of such associations generally is not the education and development of members of a profession or discipline, which is the focus of the proposed exclusion". We maintain that this statement is fundamentally flawed, and wrongly excludes thousands of trade associations that, like ELFA, are dedicated to the professional betterment of their respective members. We respectfully ask that the OGE reconsider what appears to be a subjective, overly simplistic definition of the business of trade associations, and conduct appropriate research that we believe would demonstrate that the OGE has erred in its interpretation.

Another core mission of ELFA is to provide advocacy on behalf of the industry to members of the legislative and executive branches of government in order to help educate government officials and their staff on the role of equipment leasing and finance in the economy. This process is possible only through a free exchange of ideas between the association staff and government officials during the crafting of any legislative or regulatory policy to help create effective and efficient policies that also do not place counterproductive burdens on the private sector. Federal agencies want to get things "right" and they often reach out to the business community through association meetings to understand the impact of an action prior to proposing or finalizing the policy. Every good government agency interacts with trade associations in developing federal policy for the good of the entire country.

Of particular concern with the proposed rule, in light of the desire for federal agencies to interact with trade associations, is the different treatment of associations based on how they are organized. If an association is organized as a professional society, the regulation as written would not apply to said organization. If, however, the association is organized as a trade association, like ELFA, the proposed rules do apply. These two types of organizations are under the same 501(c)(6) of the tax code, but are treated differently under the proposed regulations. Both types hold educational and informational meetings that provide important and necessary information to federal participants, but one is seen as legitimate and the other not.

As part of the exchange of ideas, it is also vital that government officials and their staffs be allowed to attend and present at conferences and seminars to inform the industry on proposed policy issues, and that allowance should include the cost of the trip being paid by the trade association sponsoring the conference instead of the federal government. These conferences are designed to allow the federal employee to explain the rules or a proposal and get feedback from the individuals who work each day in the industry. This give and take relationship helps the federal employee understand the impact a rule has on those who live by it, and creates an avenue not only for understanding what and why the rule exists, but also how to make the rule or proposal work as it is intended and mitigate unintended consequences.

It is reasonable to tighten standards to make sure events are not used by organizations to curry favor on the part of federal employees; however, these rules could stifle the exchange of ideas between industry groups and federal employees to the detriment of the public interest. ELFA believes a more reasonable approach is to increase the transparency and disclosure of the attendance of federal employees at these events. This will continue to allow the federal employee the ability to learn about the industry and effects of regulations on it, for the industry to hear about proposals and provide constructive feedback to the federal government, and provides information to the public to scrutinize the actions of both the federal employee and the association.

Thank you for your attention to our comments. We would welcome the opportunity to meet with you and discuss our suggestions and any questions which you may have.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Sutton', with a stylized flourish extending to the right.

William G. Sutton, CAE
President and CEO