

Motor & Equipment Manufacturers Association

The Voice of the Motor Vehicle Supplier Industry

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

RE: RIN 3209-AA04 [Proposed Amendments Limiting Gifts from Registered Lobbyists and Lobbying Organizations]

Dear Mr. Fox:

The Motor & Equipment Manufacturers Association (MEMA) appreciates OGE extending the comment period for proposed rule RIN 3209-AA04 which restricts all executive branch employees of the Federal Government from using certain exceptions to accept gifts from registered federal lobbyists and lobbyist organizations, including invitations to "widely attended gatherings" (WAGs). MEMA joined with other organizations and signed the comment letter submitted by the American Society of Association Executives (ASAE) on Oct. 5 but MEMA feels it is important to submit its own comments given the potential harm the proposed rule could have on our industry.

MEMA represents over 700 companies that manufacture and remanufacture motor vehicle parts for use in the light and heavy-duty vehicle original equipment and aftermarket industries. Motor vehicle parts manufacturers are the nation's largest manufacturing sector, directly employing over 685,000 American workers. MEMA represents its members through four affiliate associations: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA) and Original Equipment Suppliers Association (OESA).

As was stated in ASAE's comment letter, MEMA supports the promotion of high ethical standards for executive branch employees, but believes that the proposal recklessly prohibits government employees from using the WAG exception to attend various programs and events held by lobbying organizations. Though the rule carves out exceptions for educational and professional development activities held by Section 501(c)(3) organizations,









institutions of higher education, nonprofit professional associations, and scientific organizations and learned societies, MEMA and other trade associations are excluded from the exception as OGE deems that their "primary concern" is not education or professional development. MEMA believes this is an ill conceived position based on a very narrow definition of trade association activities and fails to grasp the important role trade associations provide to industries that are regulated by the federal government.

The main problem with the rule is the restrictions it would place on interaction and knowledge-sharing between the government and trade associations through WAGs. It is a common practice, and a productive one for that matter, for federal agencies to reach out to the business community through trade associations to help inform the discussions and decisions that lead to crafting federal policies and regulations. Inhibiting opportunities for such knowledge-sharing is counterproductive to responsible public policy. MEMA believes the federal government has an obligation to maintain effective communication with the businesses community given its regulatory responsibilities so as to avoid misinformed policymaking that can threaten the viability of industries.

MEMA's membership largely consists of small manufacturers who join the association for the educational and professional development programs MEMA offers as well as having their voices heard in Washington. MEMA's annual Legislative Summit in Washington, D.C., is one example of a WAG that is certainly educational and beneficial to the duties of career federal employees. The Summit's Supplier Fair introduces the latest innovative technologies in the motor vehicle parts industry to Members of Congress and their staff as well as career agency personnel who rely on knowledge of industry developments to responsibly carry out their duties. These exhibits are routinely attended by over 300 people.

MEMA's product councils are another good example of where the proposed rule would restrict the opportunities for productive discussion between trade associations and career federal employees that help promote responsible government policies and regulations. The Heavy Duty Brake Manufacturers Council (HDBMC), a product council of MEMA's affiliate association, the Heavy Duty Manufacturers Association (HDMA), has welcomed federal career employees from the Department of Transportation (DOT) to stakeholder meetings to facilitate discussions on a proposed rule to revise and update brake adjustment limits. MEMA's Brand Protection Committee has long worked with the Bush and Obama Administrations in promoting policies that protect intellectual property.

These types of gatherings help ensure due diligence is paid to industry, government and other stakeholder concerns that help formulate sound government regulation. As stated in the ASAE Oct. 5 letter, "While many trade associations engage in advocacy, they also help resolve industry-wide issues that could otherwise threaten economic growth, and set safety and technical standards that benefit everyone in exactly the same way as professional associations, scientific organizations, and learned societies."

Trade shows and related activities are another example where trade associations and federal employees share valuable information that leads to informed policies. The Automotive Aftermarket Products Expo (AAPEX) is one of the largest annual trade shows in the industry. Co-owned by MEMA, it offers a wonderful opportunity for federal employers to see the latest technologies and listen to the latest developments that are driving or inhibiting growth in the aftermarket motor vehicle parts industry. Individuals from many federal agencies have benefitted from participation in AAPEX. Under the proposed rule, a federal worker at the U.S. Commercial Service who collaborates with industry in an official capacity could be excluded from attending a breakfast briefing on key issues that are important to President Obama's National Export Initiative (NEI) that seeks to double U.S. exports. This outcome will damage policy development and the national economy.

These are only a few of the many gatherings MEMA offers its membership where participation by federal employees serves the public interest through knowledge-sharing. The proposed rule's focus on "social events" that serves to exclude trade associations from the WAG exception, does a disservice to the good work trade associations conduct on behalf of their businesses. MEMA feels the rule gives too much weight to such social events that are undoubtedly at times motivated to curry favor with government employees but represent a small fraction of otherwise professional and productive gatherings.

The rule wrongly excludes trade associations from the WAG exception by using a narrow definition of a trade association to the detriment of sound public policy making. The proposed rule comes at a time when President Obama has made important strides to forging better relations between business and government. MEMA urges OGE to use a broader, more accurate, and more informed view of trade association activities that will allow OGE to rescind the proposed rule's provision that bars federal employees from attending WAGs held by lobbying organizations.

Sincerely,

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Robert E. McKenna President and CEO