

Congress Updates LDA Guidance

January 2010

On December 23, 2009, the Secretary of the Senate and the Clerk of the House issued updated guidance for the Lobbying Disclosure Act (LDA). The guidance touched on a number of issues important to corporations and trade associations, and these provisions are described in brief below.

To begin, the updated guidance reiterated informal advice from the Secretary and Clerk that registrants must report on their Forms LD-2 the lobbying portion of their trade association dues in the calendar quarter in which the dues are paid.

Moreover, new examples in the updated guidance emphasize the concepts that: (1) grassroots activity is not covered by the LDA (unless using the tax method); and (2) expenses, even when incurred by a state lobbyist, must be analyzed at the time they were incurred with respect to whether they were for a federal lobbying activity.

Third, the updated guidance emphasizes that foreign parent corporations must be disclosed on a registrant's LDA registration.

Fourth, with respect to the semiannual Form LD-203, the new guidance indicates that the cost of a dinner at which awards are provided to covered legislative or executive branch officials may not be prorated by the number of award recipients who are covered officials. The full cost of the event must be reported on Form LD-203.

Fifth, the Secretary and Clerk updated their guidance (in accordance with a June 16, 2009 statement) as to when a corporation or trade association may de-register or terminate an employee as a federal lobbyist. The standard in the updated guidance is as follows:

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A registrant may remove a lobbyist only when (i) that individual's lobbying activities on behalf of that client did not constitute at the end of the current quarter, and are not reasonably expected in the upcoming quarter to constitute, 20 percent of the time that such employee is engaged in total activities for that client; or (ii) that individual does not reasonably expect to make further lobbying contacts.

Finally, among other things, the updated guidance provides information on the use of the new "TAR" code for the lobbying of tariff bills.

The updated LDA guidance can be found at <http://lobbyingdisclosure.house.gov/ldaguidance.pdf>.