

Lobbying Reform Has Uncertain Future; House and Senate Must Reconcile Differences

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On May 3, 2006, the U.S. House of Representatives passed its lobbying reform bill by a vote of 217-213. Although the House bill contains several provisions in common with the Senate version, there are a number of differences that will require reconciliation with the Senate bill once conferees are appointed.

Like the Senate version, the House bill requires lobbyists to file quarterly, online lobbying reports. A lobbyist also must disclose information about his or her contributions and any gifts to covered legislative branch officials that count toward the cumulative annual limit. The maximum penalties for failing to disclose this information are doubled to \$100,000 in the new bill.

Unlike the Senate bill, which increases to two years the current lobbying ban on former lawmakers and employees, the House bill simply requires the clerk to notify individuals of the beginning and ending dates of the one-year prohibition. Subject to an exception requiring approval by two-thirds of the House Ethics Committee, all privately funded travel is suspended until June 15, 2006, the date by which the committee is required to report a list of recommendations for further changes to the travel rules. The bill also prohibits registered lobbyists from traveling on corporate flights with members of Congress. Earmark reform, a subject of intense debate in the days leading up to passage of the House bill, also is included in the final version.

The House bill, HR 4975, also includes the regulation of certain "527 political organizations." The bill would limit donations from individuals to certain 527s focused on federal candidates and elections to \$25,000 in any calendar year and would prohibit corporate

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contributions to these 527s.

Although most of the language in the final version of the bill was a result of mark-ups in five separate House committees, several amendments were offered and accepted on the House floor. One of the amendments that passed would subject lobbyists to civil penalties of up to \$50,000 for knowingly offering a gift to a member or employee in violation of the gift ban. A second amendment adopted by the full House requires lobbyists to complete eight hours of ethics training each Congress. On the other hand, the House did not consider proposed amendments on a number of topics, including the establishment of a separate Office of Public Integrity and the disclosure of grassroots lobbying activities.

S 2349 was passed by the Senate on March 29, 2006. In addition to changing certain rules about earmarks and internal procedures, the bill touches on many aspects of the federal lobbying and ethics laws.

For the first time, the legislation would regulate federal grassroots lobbying. Those entities engaging in grassroots lobbying at the federal level would, among other things, be required to report the expenses incurred in such activity. Certain outside vendors also would have to register as "grassroots lobbying firms" upon exceeding a \$25,000 threshold. The provisions contain a narrow exception for member communications. Lobbyists, under the proposed bill, would be prohibited from giving gifts to members of Congress and their staff. The proposed bill also extends to two years the revolving door lobbying prohibition for former members, Congressional officers, and certain senior executive branch officials. For Congressional staff, the lobbying ban would extend to lobbying any member, officer or employee of the house where the individual was formerly employed.

If signed into law, S 2349 also would impose certain conditions on the ability of Senators and staff to accept privately funded travel and lodging, and would authorize the comptroller general to audit lobbying registrations and reports.