



MAXIMIZING YOUR CLOUT WITH REGULATORY AGENCIES

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Government relations are a vital part of almost every association and professional society's reason for existence. As an experienced Association Executive, you should make sure that if and when federal or state government moves to regulate the activities of the industry or profession represented by your organization, the organization will respond by taking quick and decisive action to protect the interest of the membership.

This sounds good on paper but what does it really mean. Let's look at two real world situations and evaluate how our hypothetical association, the Widget Maker Manufacturers, responded to a government challenge.

Example 1: The Widget Manufacturers Association of America is a national trade association with about 100 members. The association is located in Washington, D.C. The association has a budget of approximately \$4 million and a staff of 15. The association engages in marketing activities, educational programs, and establishes standards, all designed to assist members to provide more and better widgets in the marketplace. Most of the plants of the widget manufacturers are located in the United States. These plants are periodically inspected by representatives of various government agencies including OSHA, the Department of Labor, EPA, the Food & Drug Administration, and the Internal Revenue Service. The association

has a government affairs department. That department provides bulletins to members reporting on various government inspections and advising members on certain regulatory compliance issues. One day the association gets a call from a frantic member. One of the federal agencies, OSHA, has issued some proposed regulations that affect industry members. In the proposed regulations there is an example that describes conditions that would be illegal under the proposed regulations and which are allegedly found in widget manufacturer's plants. The member points out that the condition described in the example does not occur in the widget manufacturing industry, and questions what the association can do to correct this situation. The association mobilizes its forces, retains legal counsel, and begins an industry wide survey to confirm that this particular example is based on incorrect facts regarding the widget manufacturing industry. Ultimately, the association and several of its members file comments with regard to the proposed regulation and the example is deleted from the final regulation published in the Federal Register. The association claims this as a major victory. After spending roughly \$500,000 and involving 30 members who provided many, many hours of staff time developing information, the association actually was able to get the example deleted from the regulation.

But is this a victory? Let's look at Example 2:

Let's assume the same fact pattern for Example 2. We have the Widget Manufacturers Association of America located in Washington, but this time the association government affairs department has decided that it will be proactive. The government affairs department has identified each of the regulatory agencies that deal with industry issues. The government affairs department has identified each Congressional committee that deals with issues relating to the industry. As part of its standard operating procedure, the association government affairs department staff meets at least once a year with key agency regulatory officials and with the staffs of the various Congressional committees directly concerned about widget manufacturing. In some instances, members active in the association PAC make personal visits to meet with key Congressional leaders to provide information regarding industry operations within these members' districts. On the regulatory side, key staffers are invited to visit plants in the Metropolitan Washington area to actually see what a widget manufacturing facility looks like. Both the Congressional committee staffs and the regulatory agency bureaucrats know that if they need any information about the widget manufacturing industry, all they have to do is pick up the phone and call.

Again, using the same fact pattern as in the first example, OSHA is drafting a proposed regulation. The OSHA staff members involved are preparing various examples of prohibited practices. However, before finalizing the draft, a staff member picks up the phone and calls the Widget Manufacturers Association. She talks to the government affairs department and explains what she is working on and describes the example that she is considering. The

government affairs person at the Widget Manufacturers Association advises that the example is not a good one because Widget Manufacturers do not engage in the type of activity that is of concern. He reminds the staff person of what she actually did see when she went on an association sponsored plant tour. He then asks the Congressional staffer to provide some general information with regard to her concerns. The association government affairs person is able to provide the Congressional staffer with a realistic example of widget industry practices in terms that track the most common practices currently in use in the industry. When the regulation is published, the example describes an activity common in the widget manufacturing industry as an example of a practice that meets the requirements of the regulation.

A day after the regulation is published, industry members begin calling the association. "Did you see the new OSHA regulation?" "Did you see the example relating to our industry?" "Isn't that great!"

To be really successful, an association government affairs office must be proactive. You must go out and meet the regulators and key Congressional staff members before problems arise. You must let them know that if they have a question about your industry, call you and you will give them a straight response. You can't be a smoke and mirrors person. When asked a question, you must give an honest response. If you can establish a good working relationship with the regulatory agencies that are concerned with the practices of the industry or professions that your association represents, you will have taken a big step forward in providing your members with the most effective type of representation possible.