

Proposed reg 2015-04 properly identifies a potential danger to the independence of the American electoral system, then promptly suggests a solution that not only fails to resolve the danger but goes on to introduce new hazards.

For example, the proposed \$1000 spending limit trigger regulations is unrealistically low. A small business could easily spend a few hundred dollars on advocacy for a local election, coupled with a \$500 donation to a local chamber of commerce. Per the proposed rule, this triggers the full weight of FEC, requiring these small donations to have come (retroactively) from a separate Carey account.

The cost of maintaining such an account, along with the bookkeeping, will only serve to keep small business out of political advocacy altogether. It might even keep them out of all advocacy, as the proposed rule even requires such an account in cases of indirect donation. Suddenly a \$5000 donation to, for example, the Human Rights Campaign could potentially result in many thousands of additional regulatory burdens.

Ironically, large organizations with the cash overhead to comply with this regulation will be mostly unaffected. The only group harmed will be small groups and grassroots organizers, the very people the regulation purports to protect.

This failure to accomplish its own stated goal is by no means the proposal's only problem. In today's highly digitized world, publishing such lists will result in reprisals against small companies, oftentimes for behavior outside their control. Take the hypothetical \$5000 HRC donation above. Suppose the HRC receives this donation from Small Company and uses \$2000 of the money to support local politician John Smith. John Smith then gives an interview in which he makes various racist comments, rightfully angering many. Suddenly, Small Company finds itself on the receiving end of boycotts and adverse social media campaigns, despite the fact they had no control over the actions of the HRC, much less politician Smith.

The problem of 'phantom' money in the political process is real, but this approach fails to resolve the problem. It's not even throwing the proverbial baby out with the bathwater. This proposal throws the baby out and keeps the bathwater for future use.

As a concerned citizen, I request you do not adopt the proposed regulation. Thank you.

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