

Federal Regulatory Advocacy Bootcamp

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Public Affairs Council Profile

Year Founded 1954

Total Members 700+ organizations

Total Individuals 10,000+

Events Per Year 100+

Total Staff 23

Office Locations Washington/Brussels

Politics Nonpartisan/Nonpolitical



You're in Good Company







American
Heart
Association





















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The **Certificate in Public Affairs Management** helps strengthen knowledge and expertise in management, leadership and strategy.

The Certificate in PAC and Grassroots Management helps improve skills and strengthen expertise in two key components of any political program: political action committees and grassroots advocacy.

The Certificate in Government Relations and Lobbying is designed for federal, state, or regulatory lobbyists or government relations professionals seeking to deepen their expertise in the best practices and strategies needed to influence policy and to be leaders in the field.



Certificate Program Informational Webinar

Register

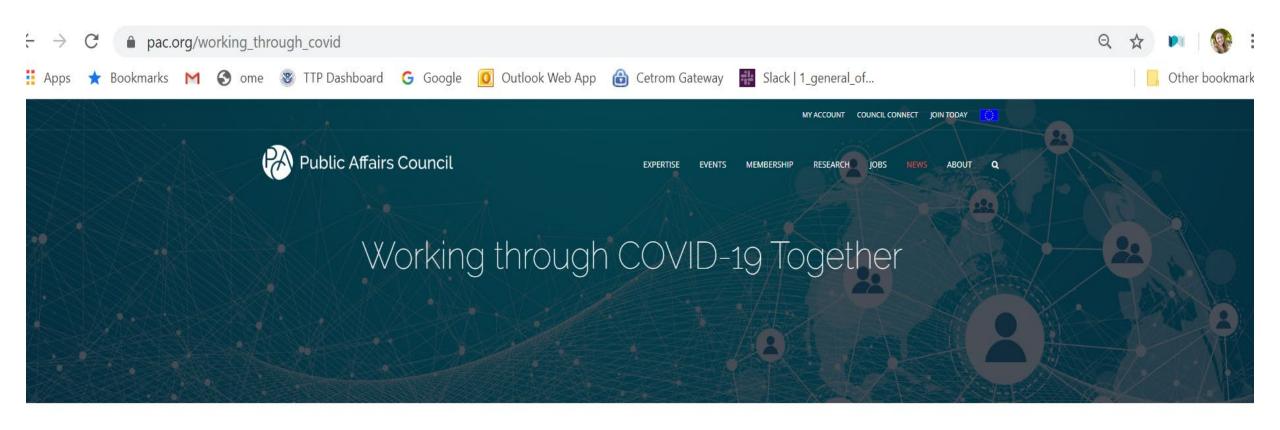


November 19, 2020 1 p.m.-2 p.m. ET

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Tune in to learn more about our professional certifications in PAC & Grassroots

Management and Public Affairs Management.



Information, new ideas and expertise for public affairs professionals. Wherever you are, the Council is here for you!

Agenda

9:30 - 10:45 - Navigating the Federal Regulatory Landscape



James Broughel, Ph.D.
Regulatory Economist
George Mason University



Nathan Frey
Principal and Owner
Regulatory Strategies and Solutions Group

10:45 - 11:00 - Break

11:00 - 12:30 - Regulatory Advocacy: Implementing, Influencing, and Showing Value



Saat Alety
Director, Federal Affairs and Public Policy
Allstate



Lauren M. Foe
Senior Regulatory Associate
American College of Surgeons





Preparing for a Shift in Federal Regulation

Nathan Frey Regulatory Strategies and Solutions Group

November 17, 2020



Agenda

I. Regulatory activity for next 6 months

II. Planning tools for Regulatory Advocacy

III. Recommendations



Midnight Regulations

- So many rules, so little time....
- Rush clashes with requirements of the Administrative Procedures Act
 - Notice and comment
 - Administrative Record
- Competition among Departments and Agencies
- Backlog at the Federal Register
 - Which rules will make it across the finish line?



Regulatory Freeze

- Halt the presses on uncompleted rules of previous Administration
 - Any rule NOT PUBLISHED in the Federal Register by 1/20/21 is fair game
 - F.R. backlog

- Extend effective dates for final rules published in the F.R. but not yet in effect
 - Rulemaking required to fully repeal these



Regulatory Roll-back

- Targeting of regulations for elimination
 - Resource and time intensive
 - Withdraw administratively: 469 rules in Trump Administration
- Final Actions require new rulemaking to "un-do"
- Congressional Review Act?



Procedural Reforms

- Withdraw Executive Orders on Regulatory Policy
 - EO 13771: Regulatory budgets
 - Agency guidance memo
 - Energy Independence, other policy specific EOs
- New Executive Actions Focused on Regulatory Process Expected
 - More centralized oversight or empowering agencies?
- Changes for OIRA?



Regulatory Planning Tools

- What's under OIRA review?
 - www.reginfo.gov

- Agency regulatory dockets
 - www.regulations.gov

 Agency Regulatory Plans and Semi-Annual Unified Regulatory Agenda



www.reginfo.gov

Regulatory Reform Results for FY 19

are now available.

Regulations gov (find and submit commercs on processed regulations)

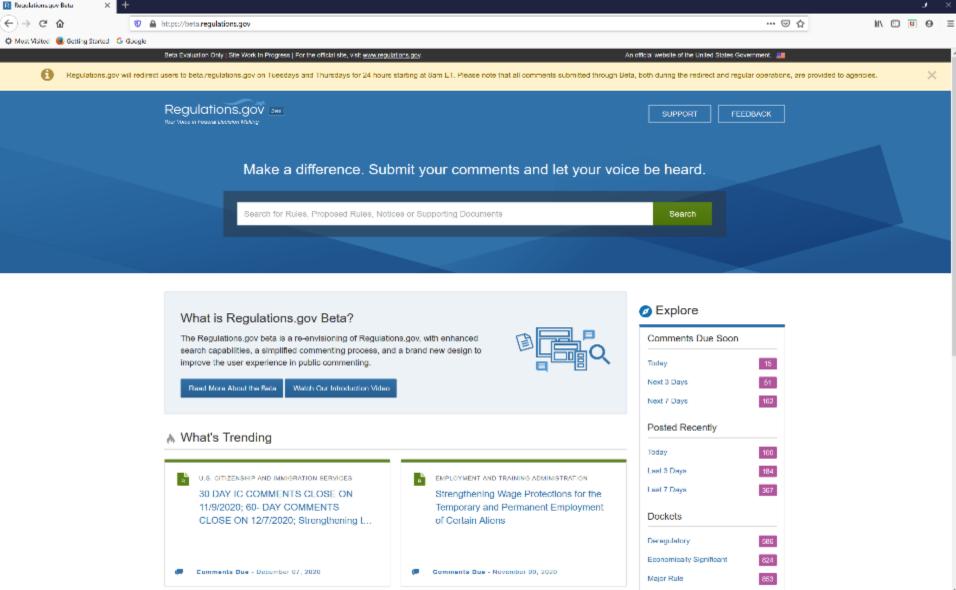
regulations.gov

III\ III\ III



More about Information Collection Review >>

Regulations.gov



Unified Agenda and Regulatory Plan

- Published twice each year Spring and Fall
 - Uniform data on planned regulatory actions for 60 Departments, agencies and Commissions
 - Long-term actions and "inactive" list
 - Regulatory Plan = statement of priorities

- Transparency for stakeholders, Congress, public
 - Oversight by OIRA



Effective Public Comments

- Building the administrative record to support your preferred alternative
- Supporting documents: RIA, TSDs, NEPA
- Preamble language vs Regulatory Text
- Solution oriented
- Public policy tradeoffs and unintended consequences
- Leveraging proxies



Recommendations

- Expect a dramatic increase in regulatory activity over the next year
 - Energy and environment
 - Health Care
 - Immigration
 - Worker Safety
- Familiarize yourself with public facing regulatory planning tools
- Know your OIRA desk officers
- Importance of administrative records to support policy positions



Thank You!

Nathan Frey

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FEDERAL AGENCIES

(e.g., HHS \rightarrow CMS, FDA, CDC, ONC, OIG, OCR)

CAPITOL HILL

(e.g., Members of Congress, committee staff)

WHITE HOUSE

(e.g., task forces)

PHYSICIANS

(e.g., ACS Fellows, specialty societies, medical practice staff)



Established to address widespread concern in the physician community about administrative burden

BRANDING & MEMBERSHIP ENGAGEMENT



We need your help to identify which policies are most burdensome for surgeons and their practices.

Participate in the ACS SOMO questionnaire

Make a difference. Share your burden.

☑ Contact ACS!

▼ Tweet #SOMO with your story!

COALITION BUILDING



The Regulatory Relief Coalition (RRC) is a group of national physician specialty organizations advocating for regulatory burden reduction in Medicare so that physicians can spend more time treating patients.

Most recently, we have focused on common sense reform of Medicare Advantage plans use of prior authorization. Our aim is to ensure that prior authorization is not a barrier to timely access to care for the patients we serve.

FEDERAL OUTREACH









Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs

HIGHLIGHT ADVOCACY ACTIVITIES

Regulatory Relief Wins



The College has positioned itself at the forefront of the regulatory relief movement and has been successful in achieving burden reduction for surgeons. Find out more about the ACS' regulatory relief accomplishments.



Learn more

Regulatory Relief Asks



The ACS has numerous recommendations for ways to further reduce the regulatory burden placed on physicians. Find out more about the College's regulatory relief proposals.

ACS Advocacy Efforts



The College tirelessly advocates for the reduction of administrative burden on behalf of its Fellows.



Learn more



Learn more

MEASURING ADVOCACY SUCCESS

Components of Your "Policy Brand" and Effectiveness

RESPECT

Do policymakers respect your role in policy conversations?

DC POLICY BRAND

The ACS measures its long-term reputation in Washington and "brand" among the policymaking audience based on four specific measures.

CONSIDERATION

Do policymakers consider your views and input on issues?

INFLUENCE

Do those views and input actually influence policymakers?

SHARING

Do policymakers proactively seek out and/or share your view and input on relevant

Source: Ballast Research survey & analysis.

Advocacy Activities that Matter Most to Policymakers

Concept in Research	What it Means
Consensus	Does the organization negotiate for consensus and is open to making reasonable trade-offs on tough issues ?
Framing	Does the organization frame its arguments in a relevant way?
Research & Data	Does the organization contribute accurate and reliable research and data to inform policy development?
Industry Leadership	Does the organization demonstrate a commitment to high standards and sound industry practices?
Industry Voice	Does the organization represent the voice of the entire industry and/or the interests of all its members?
Partnerships	Does the organization participate in effective coalitions with credible partner organizations and thought leaders?
Senior Leadership	Does the organization's senior leadership effectively participate in policy discussions?
Lobbyists	Does the organization have effective lobbying representation, who build and maintain direct relationships with policymakers, regulators, and other key individuals?
Grassroots	Does the organization effectively mobilize individual stakeholders (e.g., employees, members, the public) to engage policymakers?
Advocacy Comms.	Does the organization effectively use media , events , and/or other public communications to engage on policy issues?

Advocacy Activities that Differentiate Top Performing Associations

200+

ELEMENTS TESTED

To determine what distinguishes the best associations advocating in Washington

WORKING ON YOUR INDUSTRY IMAGE



INDUSTRY LEADERSHIP



INDUSTRY VOICE

WORKING ON PUBLIC POLICY







MESSENGERS



LOBBYISTS



LEADERSHIP



GRASSROOTS



PARTNERSHIPS



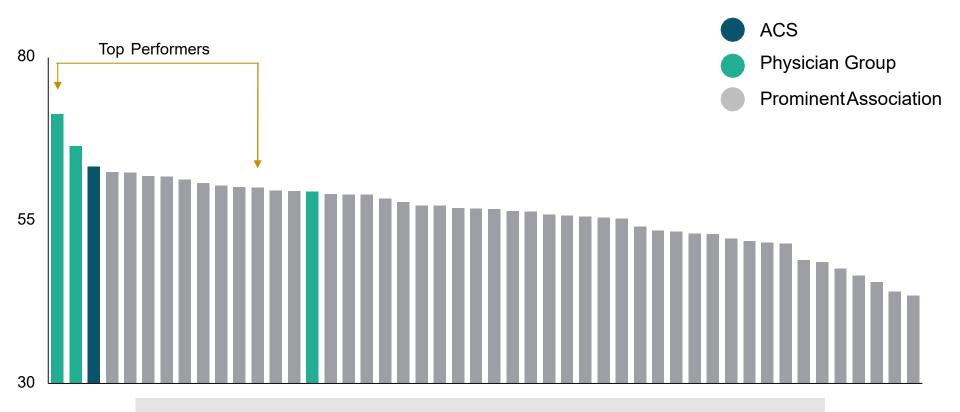
COMMUNICATIONS

Source: Ballast Research survey & analysis.

ACS Reputation in DC

Washington Policy Brand

Comparison to All Associations Studied



Policy Brand and Reputation is a combination of scores based on the four distinct measures of policy brand: **Respect, Consideration, Influence, and Sharing.**

ACS Is a Top Performer Across Every Measure of Long-Term Effectiveness Studied

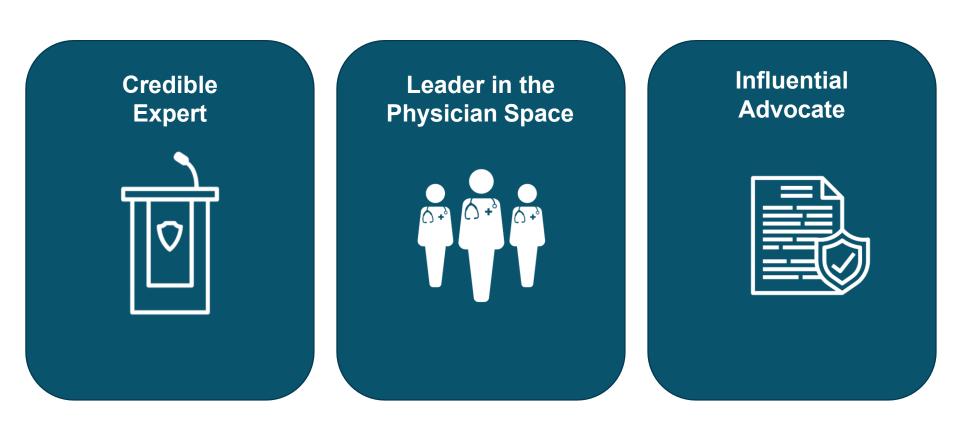
Long-Term Advocacy Measures

ACS vs. Top Performers and Association Averages



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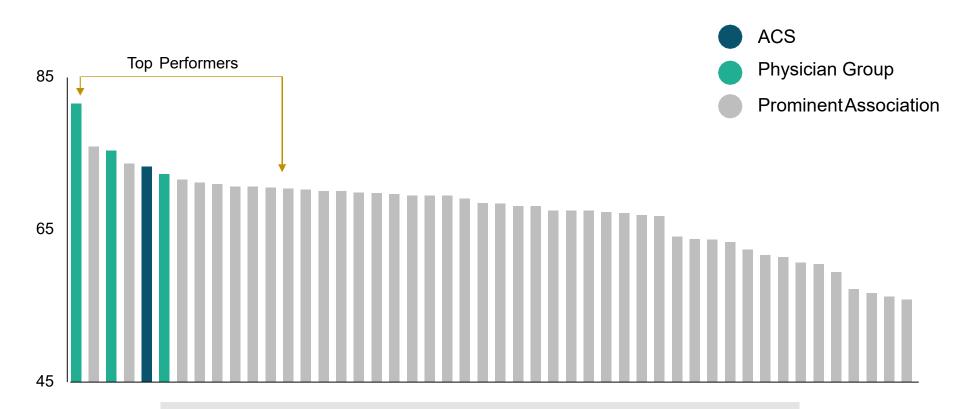
Key Elements of the ACS Brand in DC



ACS Effectively Provides Research and Data to Drive Policy

Research and Data

Compared to All Associations Studied

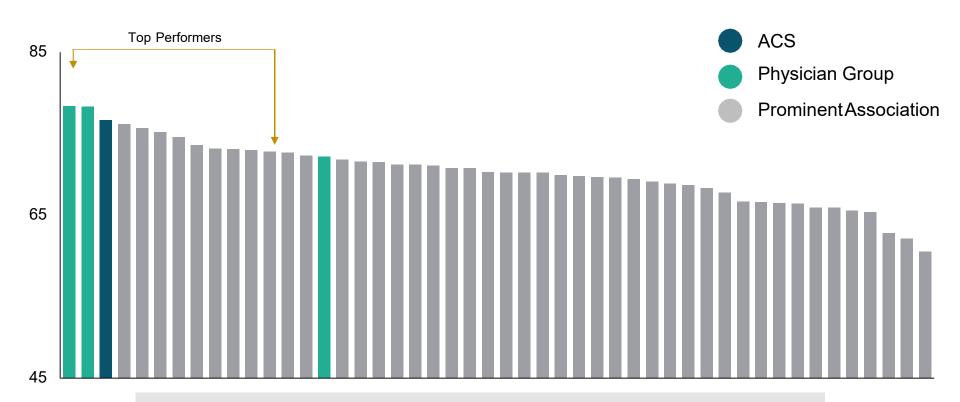


The organization contributes reliable **research and data** to inform policy.

ACS Plays a Key Role Bringing Together Effective, Credible Coalitions

Partnerships

Compared to All Associations Studied

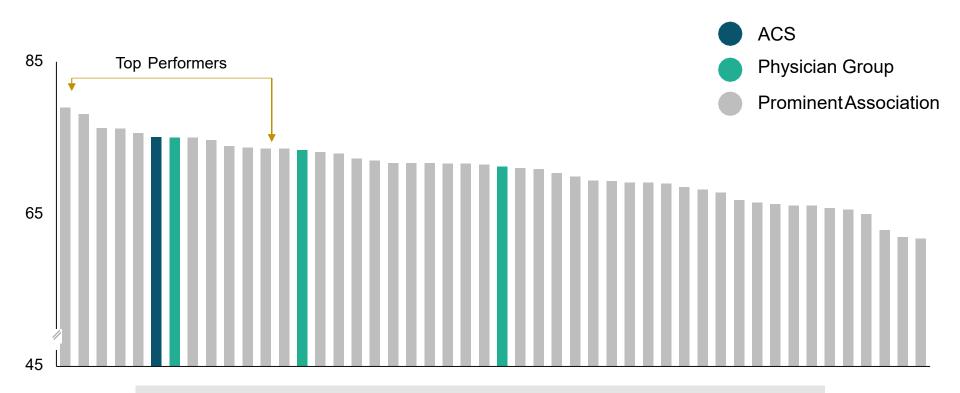


The organization participated in **effective coalitions** with credible partner organizations and thought leaders.

ACS is Seen as a Credible Voice for the Industry and the Interests of Its Members

Industry Voice

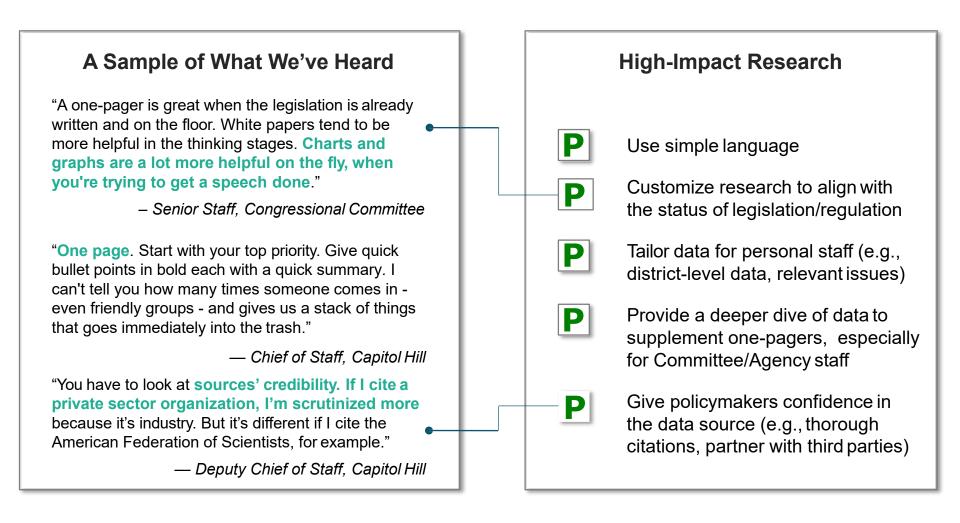
Compared to All Associations Studied



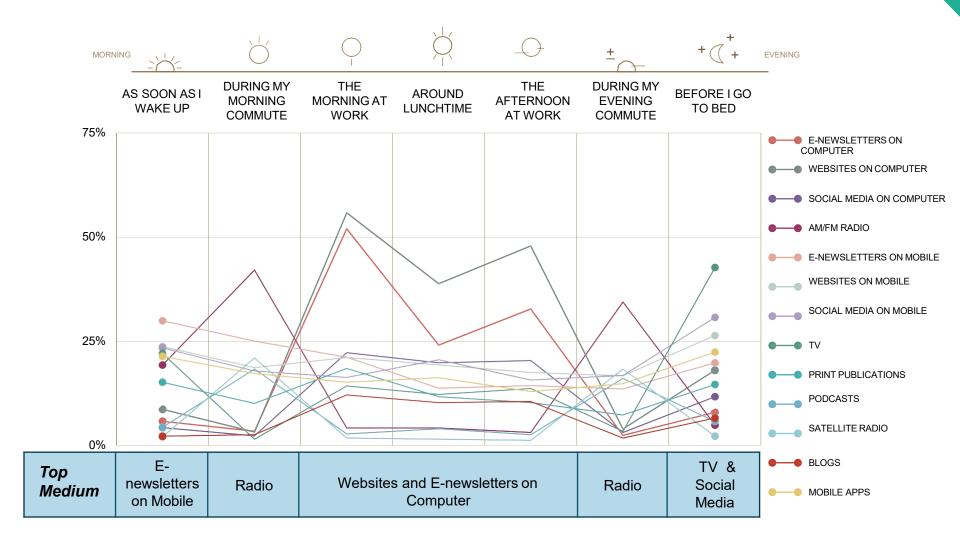
The organization represent the **voice of the entire industry** and/or the interests of all its members.

How do the Most Effective Associations Communicate their Research and Data?

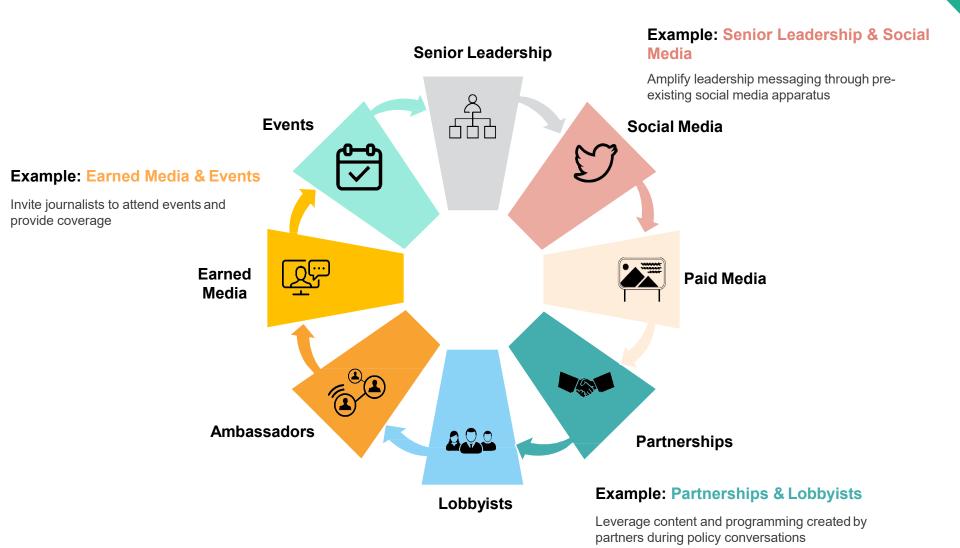
Best Practices from the Federal Research



Challenge: Cutting Through the Chatter in DC



Policymakers Expect to See Associations Engaging Across Multiple Platforms



Best Practices—What Works Best for Your Organization, and Where Can You Improve?

Concept in Research	What it Means
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AMERICAN COLLEGE OF SURGEONS

Inspiring Quality: Highest Standards, Better Outcomes

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VS



<u>Age of Regulatory Supremacy</u> – Given that divided government has characterized the last decade in Washington, past Administrations have increasingly relied on enacting their policy priorities via regulatory action. These actions often carry much of, if not all, the weight of enacted laws and have impacted all industries from telecommunications to financial services to energy.

<u>Power of Regulatory Process</u> – Although rules and regulations are not promulgated by duly elected representatives, they are often the result of long and well-laid out processes. There are many stages during which outside actors can engage to influence, shape, strengthen, or block rules and regulations. These actions include official comments, agency hearings, meetings with key agency staff, and litigation.

<u>Article I</u> – Congress has an immense sway in the regulatory process, whether through personnel confirmations or directing agencies on how to act. Identify Members of Congress that have strong relationship with your targeted agency. Get them engaged and give them every tool in the toolbox: Hearing questions, letters, suggestions on private meetings, etc.



Building a Regulatory Advocacy Program

<u>Utilize Your Internal Resources</u> — Regulatory issues are often dense, complex and nuanced requiring in-depth expertise to analyze and articulate the potential impact to your company. This requires you to identify your key business leads who can act as critical partners and communicators on behalf of your company and keep them engaged through regular communication and engagement.

• <u>Example:</u> Allstate has harnessed the institutional knowledge of our lead accountants to respond to various capital, reporting and standard setting regulatory proposals.

<u>Multipronged Approach</u> – Lobbying and comment letters alone may not be enough to promote your regulatory position. It is important that you utilize every tool in the toolkit including:

- <u>Direct Lobbying:</u> Engage with members and staff through your federal affairs team and when appropriate use your internal experts to deliver the often necessary complex details.
- <u>Strength in Numbers</u>: Chances are there are plenty of other organizations that have the same opinion so build a coalition of companies, trade associations, and other groups to strengthen your message.
- <u>Power of Constituents</u>: When appropriate there is nothing stronger than the voice of a
 constituent when asking a member of Congress to help with your agenda. Find your
 appropriate impacted audience, such as insurance agents, and engage them to carry your
 message forward.



Examples of Regulatory Process Success

<u>Fiduciary Rule</u> – After the Department of Labor enacted its Obama-era fiduciary standard for financial advice, industry allies successfully litigated the rule in the courts where it was eventually vacated, all the while generating hearings, letters of oppositions, and events from Members of Congress and the grassroots.

• <u>Team Effort</u>: These efforts likely would not have been successful had it not been for the multifaceted advocacy effort taken to confront the regulation. Industry companies and trade associations were able to harness the power of our employees and the consumers they serve to show the real-life impact of a rule many thought would help protect people from harmful financial advice, but actually would have prevented many from essential financial assistance while driving people and companies to the brink.



Examples of Regulatory Process Success

- <u>U.S.-EU Covered Agreement</u> Prior to signing a final deal regarding mutually agreed upon prudential measures in the insurance industry, industry worked to have dozens of Congressional allies sign a letter to Treasury and USTR that resulted in a clarification statement to fix the issues industry had with the draft agreement.
 - <u>Not Over Until Its Over</u>: This success shows how important it is not to give up or assume a particular outcome. Many believed that given the timing of the agreement going final (the early days of the Trump Administration) that we would be in good hands. However, we had to continue the push with the new administration to get these critical clarifications to protect U.S. insurance interests.

<u>International Capital Standards</u> – Industry has used the entire regulatory process to help shape and amend the development and implementation of an international insurance capital regime promulgated by the International Association of Insurance Supervisors. Actions have included: dozens of hearing questions written for Congressional hearings, Congressional letters sent to "Team USA" regulators to push our priorities abroad, official comment letters throughout the process.

• <u>Fighting Amongst Friends</u>: As this regulatory battle continues industry remains divided on some core components. It is important to understand where your own company's interests lay, the level of impact an issue may have and who are your allies.



Some Quick Tips for Measuring and Showing Value

Negative Impact of the COVID-19 Pandemic Expected

Negative Impact

Public affairs budget allocated for business travel and/or in-person meetings		
Implementation of public affairs initiatives/actions planned prior to the pandemic	54%	
Total public affairs budget	48%	
Public affairs budget allocated for contract lobbyists and consultants	36%	
Public affairs budget allocated for trade or business associations	34%	
Overall operational effectiveness of your company's public affairs function		
Total number of FTE public affairs staff	20%	

SCPA 2020

I. Basic Principles of Measurement & Communication



Principle 1: Understand What GR Brings to the Table (The Value Proposition)

Government Relations:

- 1. Shapes public policy
- 2. Shapes public perception
- 3. Preserves and maintains reputation
- 4. Creates market and revenue opportunities/advantages
- 5. Reduces operating costs
- 6. Provides freedom to operate





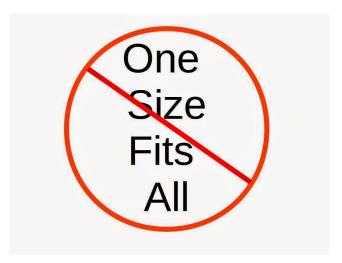
Principle 2: Understand There is No Magic Formula

 Select your measurement tools based on your work and on your leadership

2. Match your messaging to your organizational culture

3. Get early buy-in and agreement from stakeholders

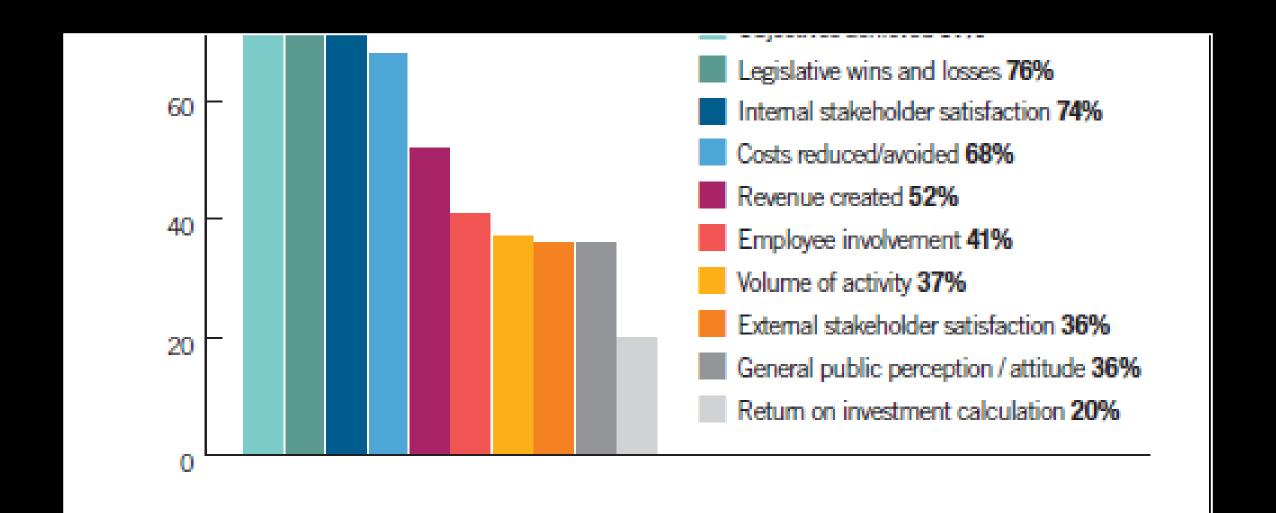
4. Resist the urge to oversell or undersell





II. Choosing Your Metrics





MOST COMMON MEASUREMENT TOOLS FROM SCPA 2020

Tool: Objectives Achieved

Actually document. Include improvement metrics

Map objectives/achievements to organization's mission and goals and when possible, to \$

 An organization's stated mission and strategic goals may even directly provide metrics

Don't forget: outcome over input/output- Measure, don't count!



Inputs, Outputs, and Outcomes

Inputs	Outputs	Outcomes
5 newsletters; on time; on budget	Readership	Impact on behavior; increased understanding of issues
PA Web page up and current	Hits	Change in attitudes and awareness
# events organized	Attendance	Enhanced relationships
# news releases; placed stories	Coverage, recall	Changed opinions/ behavior of stakeholders
Develop sustainability report	Readership; awards	Impact on business behavior; reputation
# meetings with officials	Responses	Influence on policy

Actions vs. Impacts

Actions **Impacts** Achieved name recognition with agency Meetings held with agency staff Created member advisory board ——— Increased investment in association Received major trade journal coverage Tone of media coverage improved Engaged employees via social media ——— Click rates, "likes" and retweets rose Coalition increased political influence Formed coalition Wrote comment letter ——— Received engagement from agency

Tool: Regulatory Wins and Losses

Document – especially important for losses

2. Ties policies to mission/goals

3. Tie to bottom line: assign dollar values to policies & regulation



Jurisdiction	Issue	Status & Outcome	Position	Actions Taken	Business Impact
Direct Selling					
Arkansas SB 176	Pyramid Schemes	Passed - Favorable	Support	Grassroots letter campaign; 10 constituents sent letters	4,043 IBCs \$ 6.2M Wholesale
California AB 5	Independent Contractor Status	Pending - Favorable	Support	3 meetings with committee members	48,898 IBCs \$ 74.5M Wholesale
Connecticut SB 955	Independent Contractor Status	Pending	Support		2,628 IBCs \$ 4.9M Wholesale
Indiana SB 231	Independent Contractor Status	Passed - Favorable	Support		12,723 IBCs \$ 19.7M Wholesale
Iowa SB 4 / HB 262	Pyramid Schemes	Failed	Support		6,449 IBCs \$ 9.9M Wholesale
Oregon SB 679	Independent Contractor Status	Pending	Support		5,889 IBCs \$ 9.7M Wholesale
Pennsylvania	Pyramid Schemes	Pending - To be introduced	Support		14,846IBCs \$ 24.1M Wholesale
Product					
California AB 60	Sunscreen	Failed - Favorable	Oppose		48,898 IBCs 19 SKUs containing Oxybenzone and Octinoxate Wholesale CA Total Section 1: \$75.7 % of Total Sales: 9%

Tier 1 Priority Issues: Executive Summary



State legislative session lengths and timing differ by state. Most states are in the first year of their 2-year biennium, which means some issues could remain unresolved until the end of 2020 even if they've adjourned for 2019.

Results from 1.1.2019 – 12.17.2019

	,	win	gain	loss	unresolv active	
Privacy		46	1			
Data Security		57	1			
Тах		74	 7			
Adult Beverage		12	6			
Scheduling Practices		18	1		3	
Pay Ratio		3				
New Stores		29	 			

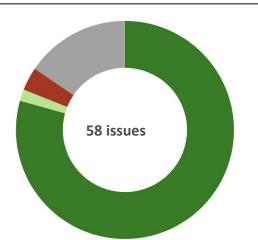
Tier 1 Priority Issues: Current Status & Results



Privacy

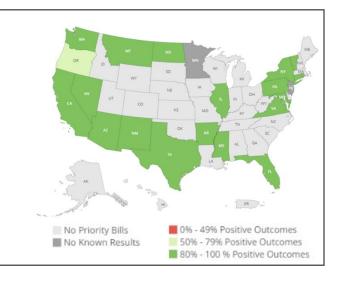
Defeat comprehensive privacy legislation & defeat narrow proposals that dictate how we interact with guests or limit our ability to innovate.





Highlights

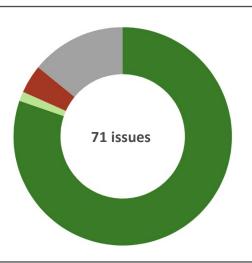
- In CA, ...
- In WA, ...
- In IL, ...
- Looking ahead...



Data Security

Ensure new data security standards maintain alignment with other jurisdictions & limit state-by-state compliance burden.

•	Win	57
•	Gain	1
•	Loss	3
0	Unresolved/Active	10



Highlights

- In OR, ...
- In WA, ...
- In MO, ...
- Looking ahead...



Tool: Share ROI (Return on Investment)

1). When to Use It: If accurate data or estimates exists to support costs reduced/avoided or revenue created, then this method can be extremely useful.

2.) Advantages: Senior management understands ROI. Much of the time, however, public affairs teams lack data to prove ROI.

	/ Payback
Advocacy to Gain Market Access Interpretation of the law based on input from the company and our industry, we expect to expand our market sufficiently to boost revenue by 12%, assuming we capture our national average Interpretation of the law based on input from the company and our trade association. (Despite only a 60% probability of success this year, the payback potential of this initiative is sufficient to justify the cost and the risk.) Interpretation of the law based on input from the company and our trade association. (Despite only a 60% probability of success this year, the payback potential of this initiative is sufficient to justify the cost and the risk.)	ion to spend ion the ent and tax penefits of cpansion gave munition we o win the and we still hit

Simple ROI

Investment

Investment

ROI: +\$60,000 for -\$20,000

ROI 1:3

Value	Total	PA Investment	Total
10,000	Tax credit	5,000	Travel cost
20,000	Revenue gained	5,000	Organizational memberships
40,000	Revenue protected	10,000	Consulting fees
	\$\$ awarded		Partnerships
10,000	Capital created		Sponsorships
80,000	Total	20,000	Total (+\$60,000)

PA Investment	Total
Total	20,000

kmemphis@pac.org

