

## New Ethics and Lobbying Reform Legislation Signed Into Law

On September 14, President Bush signed into law comprehensive ethics and lobbying reform legislation. Together with new rules adopted by the U.S. House of Representatives in January, the “Honest Leadership and Open Government Act of 2007” makes important changes to the congressional rules governing the acceptance of gifts and travel expenses by Members of Congress and their staff and to federal law governing disclosure of lobbying activities, as well as to internal congressional procedures relating to earmarks.

These new rules significantly affect the ability of lobbyists, lobbying firms, and corporations or trade associations that employ or retain lobbyists (*i.e.*, lobbyist employers) to engage in certain interactions with Members of Congress and congressional staff.

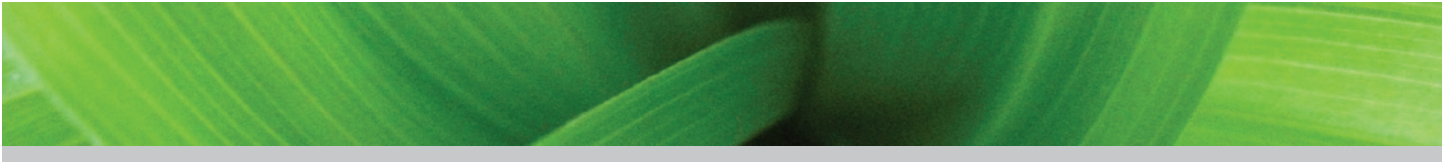
Some of the more significant changes in the new rules and legislation pertain to:

- **Gifts.** The new rules and law ban most gifts to Members of Congress and congressional staff from lobbyists, lobbying firms, and entities that retain or employ lobbyists, while preserving the 23 existing exceptions to the gift rules (for example, for widely-attended events, receptions with nominal food or refreshments, and gifts given on the basis of personal friendship).
- **Travel and Fact-Finding Trips.** The new rules and law impose significant new restrictions on the ability of entities that retain or employ lobbyists to sponsor fact finding trips, as well as on the involvement of registered lobbyists and lobbying firms in organizing and participating in such trips.
- **Civil and Criminal Liability for Lobbyists and Entities That Hire Lobbyists.** The new law holds lobbyists, lobbying firms, and entities that retain or employ lobbyists *and* that are themselves registered under the Lobbying Disclosure Act (LDA) civilly and criminally liable for making improper gifts to Members of Congress and staff.
- **Certification of Compliance with Gift Rules.** The new law requires lobbyists, lobbying firms, and entities that retain or employ lobbyists *and* that are themselves registered under the LDA to sign semiannual “certifications” attesting that they have not violated the gift rules.
- **Increased Reporting.** The new law increases the frequency and scope of reporting of lobbying activities under the LDA, including: requiring quarterly (rather than semi-annual) reporting; and requiring those registered to lobby on behalf of a coalition or trade association to provide additional disclosure of entities contributing funds towards the organization’s lobbying activities.

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## IMPLICATIONS

There are many areas of ambiguity in the new requirements that will need to be clarified by the House and Senate ethics committees and the other relevant authorities. Moreover, although many of the new requirements took effect upon enactment of the legislation, other provisions take effect on varying dates. Given the nature of some of these new provisions, it is critically important that companies and trade associations take steps to familiarize their government relations officials and staff with the new requirements, and assess and update if necessary their existing policies and procedures to ensure that they are sufficient to maintain compliance.

### FOR MORE INFORMATION

Van Ness Feldman's Government Relations Practice helps clients develop and implement effective government relations strategies. We also counsel clients on compliance with congressional ethics rules and Lobbying Disclosure Act requirements. If you have questions about the new rules or law, please contact Jonathan Simon (202.298.1932, [jxs@vnf.com](mailto:jxs@vnf.com)), Curt Rich (202.298.1886, [jcr@vnf.com](mailto:jcr@vnf.com)), or your usual Van Ness Feldman contact.

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