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December 6, 2018

Michael Sullivan, Director
Office of Campaign and Political Finance
One Ashburton Place, Room 411
Boston, MA 02108

Dear Director Sullivan,

My name is Christopher Carlozzi. I am the Massachusetts Director of NFIB. A non-profit, non-partisan organization, NFIB is the nation's and our state's largest small business advocacy group. In Massachusetts, NFIB represents thousands of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across our state. On behalf of those small and independent business employers in the Commonwealth, I would like to provide comments on Interpretive Bulletin OCPF-IB-88-01, specifically relating to small business participation in the Massachusetts political process.

While NFIB recently signed a joint letter to OCPF with several other advocacy groups providing recommendations on improving the political process for the business community, I would like to further expound upon those comments focusing on the small business perspective.

First, I would like to reiterate the recommendation made in the November 30th letter to allow business associations the use of general funds to administer their PAC accounts. This modification to the interpretation of M.G.L. c.55 §8 would in no way change the existing restriction on business contributions to candidates and PACs, but simply allow administrative expenses to be covered by an organization's general treasury. Small businesses deserve a voice in the Massachusetts political arena and easing the financial strain associated with the administrative side of PAC maintenance would assist in that effort. Each new election cycle, small business owners face increasingly serious challenges to their livelihoods from both political candidates and ballot questions. The need to participate in the political process is vital for struggling Massachusetts small businesses. To encourage greater small business participation, NFIB urges OCPF to change the current rule and allow business organizations to use their general funds for PAC administrative costs.

Another critical issue for small business is the so-called "union loophole" which allows labor unions to contribute up to \$15,000 directly to political candidates. For concerned business owners, the desire to correct the existing loophole is a matter of fairness and equity. The current scenario allows for significantly higher labor contributions to candidates and has led to an unfair, lopsided political

climate that strongly favors labor unions and their anti-business agenda. The union agenda results in legislation that directly infringes upon a small businesses ability to operate in the Commonwealth.

Recently, policies having a substantial impact on a small business' bottom line were brought before the Massachusetts electorate. The 2014 mandatory paid sick time law was a result of a ballot question and led to increased costs for small businesses. The legislative package known as the "Grand Bargain" enacting a \$15 minimum wage and paid family and medical leave passed in reaction to a threat of ballot questions containing similarly devastating proposals. Both aforementioned policies were funded by labor union largess. These types of labor mandates are crippling Massachusetts small businesses and hindering job growth. Providing labor union-backed candidates with an unfair financial advantage during elections has led to legislative policies that cause irreparable harm to Main Street businesses. To level the playing field and instill a sense of fairness, we ask the rules are applied equally. This means ensuring M.G.L. c. 55 treats all participants equally, including labor unions, businesses, and individuals. All participants must adhere to the same rules in order to make the Massachusetts political process impartial. It is time to end the unfair advantage currently enjoyed by labor unions.

I want to thank OCPF for considering these very important rule changes that could have a significant impact on improving the state's political landscape. Neighborhood small businesses represented by NFIB are vital to every community in Massachusetts and guaranteeing they have the same political opportunities afforded to labor unions is necessary to achieve a politically balanced Commonwealth. Thank you.

Sincerely,

Christopher R. Carlozzi
NFIB State Director