

INSIDE PPAI

PROMOTIONAL PRODUCTS ASSOCIATION INTERNATIONAL NEWS



Taking The LEAD

LEAD Meetings Create Awareness, Build Relationships With Lawmakers

ON MARCH 24, PPAI MEMBERS and staff met with senators, congressional representatives and their legislative staffs on Capitol Hill to discuss pending legislation and issues relevant to the promotional products industry. Thirty-five PPAI members and staff conducted 67 meetings with House and Senate offices as part of the first PPAI Legislative Education & Action Day (LEAD).

Issues discussed included the outcome of the Patient Protection and Affordable Care Act (PPACA) plus other bills of interest to the industry including S. 803, the Healthy Workforce Act of 2009, which could affect incentive sales, and H.R. 3408 (S. 2882), which would limit the use of independent contractors.

The event was a success on several levels, says Steve Slagle, CAE, president and CEO of PPAI.

"The members who attended went back home very satisfied, enthusiastic and pleased with their meetings," he says. "I believe we had some quality discussions, made our points and gained some friends and supporters for our industry."

Slagle says that exercising their rights as citizens in the political process was very satisfying, and he plans for the Association and members to visit Congress again.

"We created awareness that our industry exists, represents thousands of companies, tens of thousands of jobs and billions of

dollars," he says. "From our experience this year I believe we'll want to continue these efforts at least annually."

PPAI hosted a breakfast in the Capitol building on Wednesday before participants headed off in teams for a full day of visits, says Anne Lardner, PPAI's senior manager, public affairs.

"The members left for their meetings armed with the message that promotional products are effective advertising and with statistics that prove the industry provides jobs and valuable revenue to every state in the country," she says.

Scott Siegel, MAS, president of Chicago, Illinois, supplier R.S. Owens & Co. Inc. (UPIC: RSOWENS) and chairman of the PPAI Board of Directors, and Marc Simon, chief executive officer of HALO/Lee Wayne Corporation (UPIC: LEEWAYNE), met with two Senate and three House offices from Illinois. In addition, Siegel and former PPAI board chairman Sherri Lennarson, MAS, also had a face-to-face meeting with Sen. Harkin of Iowa.

"The first thing we did was make the point that promotional products are not a gift but a proven, successful advertising medium," says Siegel. "We pointed out what they had in their office everything from coffee mugs and note pads to stress balls, pens and pencils that were promotional products."

Siegel and Simon then shared data on how many employees in Illinois work in the promotional products industry and the

LEFT The PPAI group met on the Capitol steps before being screened to enter the building. **ABOVE** Anne Lardner, who coordinated the event, joined Steve Slagle, CAE and Paul Bellantone, CAE, for visits to five Texas legislators' offices.

number of companies in the state. Siegel says the meetings had a positive outcome.

"I feel we got very courteous, usually very positive and interested responses," he says.

In addition to educating the staff on the promotional products industry, Siegel says they discussed the importance of the safe harbor clause to the industry in upcoming independent contractor legisla-

tion. They also showed support for the \$400 exclusion from taxation to use promotional products to promote wellness in the upcoming Wellness Act.

David Gephart, CAS, chief executive officer of Hillsborough, North Carolina, distributor Gephart Marketing Solutions (UPIC: dgep), managed to hit seven Congressional offices from North and South Carolina and have meetings with nine leg-

islative staff members, running from offices on the north side of the Capitol building to the south side. "And that was with a bad knee," he says with a laugh. Gephart says he also found a receptive audience.

"Basically, they were thrilled to death to have a chance to talk about anything besides healthcare," he says. "They were very open to our point of view and everybody was taking copious notes. They said they would share the information at their staff meetings."

Joe Scott, MAS, of Scott & Associates, visited his legislators with two other Minnesota constituents, Paul Miller, MAS, Sampson Miller Advertising, and David Hawes, Geiger.

"One of the things that pleasantly surprised me was that I thought lobbying was a lot of arm twisting and debating," he says. "What it turned out to be was educating them on the unintended consequences of bills to our industry. One hundred percent of the time their reaction when we explained our position was 'Oh, I didn't know that.'"

PPAI provided all participants with four position papers on different issues, complete with bill numbers, that will affect the industry.

"It was target lobbying," says Gephart. "They were able to see exactly where we stood on what issues and its effect. The folks in Texas had us well prepared."

Lisa Bibb, MAS, executive director of the Carolinas Association of Advertising and Marketing Professionals (CAAMP), switched hats at the meeting and visited three Georgia congressional offices. Bibb is also on the board of directors for the Georgia Association Promotional Product Professionals (GAPPP).

She said she was greeted at all the offices with Cokes and peanuts, major products of the state. The atmosphere was relaxed, and the aides were very receptive to her presentation.

"We were told in our PPAI briefing before the meetings that our average meeting would only take 7½ minutes," Bibb says. "But my first meeting lasted 30 minutes."

Most she spoke to were not even aware of the promotional products industry, she says.



TOP Sherri Lennarson, MAS, Scott Siegel, MAS, and Eric Ekstrand, MAS, had a chance to visit with Senator Tom Harkin (Iowa), pictured second from left. **ABOVE** Karie Cowden, MAS and Brandon Mackay, MAS take in the view from the Capitol steps.



Melissa Safford, assistant to Senator Al Franken (Minnesota), met with Joe Scott, MAS (left) and David Hawes, MAS.

“And they did not have any idea how big it is,” she says. Bibb left handouts about the industry and its position papers with the aides, and says she will post them on the CAAMP and GAPPP websites for members to use in their own efforts to inform their local representatives.

Lardner says she and the group are ready to bring the fight back to Washington next year.

“The end of the day brought sore feet but a sense of enthusiasm and empowerment to all LEADers who are already looking forward to doing this again next year,” Lardner says. “We need to continue relentlessly advocating for issues important to our industry. Every PPAI member has a local Congressional office they can visit and we will provide you with the tools you need for a successful meeting. Follow PPAI law alerts for what you can do. These measures are only successful when our position is put in front of them on a day-to-day basis.”

“Talking to your Congressman is just as effective at home,” adds Scott. “Every single PPAI member can get on the phone and schedule a meeting with their senator or congressman and go talk to them. The LEAD meeting was just the start of our lobbying efforts. This isn’t the end of it.”

View the videos to see what some of the LEAD participants have to say about their visits at www.ppbmag.com. Click on Online Exclusives. To get industry statistics and PPAI’s position papers on upcoming legislation, go to www.ppalaw.org.

PPAI LEAD 2010 PARTICIPANTS

Lisa Bibb, MAS, CAAMP	Promotions, Inc.
Mike Burns, MAS, Quikey Manufacturing	Michele Jennrich, MAS, Howard Miller Company
Art Bustard, MAS, Cedars Advertising	Kendra Kirks-McDougal, MAS, HALO/Lee Wayne
Barbara Bustard, CAS, Cedars Advertising	Bill Lazarus, MAS, Promotional Breezes
Eric Carr	Sherri Lennarson, MAS, Bankers Advertising Co.
Karie Cowden, MAS, Connect The Dots	Dale Limes, MAS, HALO/Lee Wayne
Dale Denham, MAS, ASI	Brandon Mackay, MAS, SnugZ USA
Mary Dobsch, MAS, The Chest	Paul Miller, MAS, Sampson Miller Advertising
Eric Ekstrand, MAS, Mort McClennan Company	Mike Schenker, MAS, Custom Intersource, LLC
Dave Engel, MAS, Greystone International	Joe Scott, MAS, Scott & Associates
Dave Gephart, CAS, Gephart Marketing Solutions	Marc Simon, HALO/Lee Wayne
Carl Gerlach, MAS, Gill Studios	Charlie Stevens, MAS, HALO/Lee Wayne
Wayne Greenberg, MAS, Geiger	Paul Bellantone, CAE, PPAI
Houston Hale, Geiger	Tina Filipski, PPAI
David Hawes, MAS, Geiger	Anne Lardner, PPAI
Bob Hechler	Steve Slagle, CAE, PPAI
Mike Irwin, MAS, Adventures In Advertising	
George Jackson, George Jackson	

Healthcare Concerns

PPAI'S EFFORTS INFLUENCE LAWMAKERS ON NEW HEALTHCARE LAW

THROUGH MORE THAN 8,500 letters and countless calls, visits and other points of outreach during the past year, PPAI and its members were ultimately successful in softening the impact on the promotional products industry in the final version of the Patient Protection and Affordable Care Act (PPACA) signed into law by President Obama in March.

The new law, which includes elements of what was originally known as the Physician Payments Sunshine Act (PPSA), requires the manufacturers of the covered drugs and products to report items given to covered recipients beginning in 2012.

The good news for promotional products professionals is that a *de minimis* of \$10 is included and only

items given to physicians and teaching hospitals must be reported.

"I think we can claim some victory for the \$10 *de minimis*, as well as a couple of other provisions of the new law," says Steve Slagle, CAE, PPAI president and CEO. "To my knowledge our industry was the only one lobbying against the harmful effects of the Sunshine Act, and PPAI and its members worked hard to educate Congress. If we hadn't fought hard there would have been no *de minimis* at all, so I want to thank our members for the thousands of e-mails, letters and calls made last year to express our opposition to the PPSA."

Congress struggles with the purpose of promotional products, Slagle says.

"We believe it is wrong-minded to consider promotional products as gifts that unduly influence a doctor's behavior," he says. "Our industry's products should have been excluded from the legislation in the first place, but knowing that we couldn't win that battle, we did set out to gain some relief. I think the final result is about as good as we could expect since the medical associations and consumer advocate groups were all aligned against our position."

Anne Lardner, senior manager, public affairs for PPAI, applauds the industry for helping influence this legislation.

"We want to thank the thousands of members who stepped up to the plate and took action to protect this segment of the promotional products marketplace," she says. "Without everyone's collective efforts, it is quite likely that the limit would have remained at the original \$0 for reporting."

Other changes for businesses because of the healthcare law include:

- Beginning this year, a company with 25 or fewer workers may be eligible for a tax credit to help buy coverage for employees.
- By 2014, companies with more than 50 employees will have to provide benefits or pay a penalty.
- By 2014, a small business will be able to buy insurance through new insurance marketplaces.

While the Physicians Payments Sunshine Act is finally put to rest, there are many other issues that still threaten the industry, Lardner says.

"PPAI is calling on members to stay active and involved on legislative issues—particularly the definition of independent contractors," Lardner says. To learn more and take action, go to www.ppalaw.org.