

Message

From: Maisano, Frank [frank.maisano@bracewell.com]
Sent: 4/26/2018 3:36:27 PM
To: Ringel, Aaron [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=1654bdc951284a6d899a418a89fb0abf-Ringel, Aar]
Subject: [SPAM] FW: The Largest Secret US Govt Program: Federal Crop Insurance

Per our conversation...

From: "Maisano, Frank" <frank.maisano@bracewell.com>
Sent: Apr 26, 2018 9:56 AM
To: "Maisano, Frank" <frank.maisano@bracewell.com>
Subject: The Largest Secret US Govt Program: Federal Crop Insurance

A Lesson in Secrecy: Federal Crop Insurance Program Compares Poorly to the Small Refinery Hardship Program

Recently, certain Midwestern politicians have complained that hardship waivers premised on confidential business information, or CBI, are less transparent than they would prefer. But protection of CBI in this instance makes sense since the hardship waiver is premised on competitive information generated by publicly-traded corporations. For this reason, the statutory framework is based on confidentiality.

By contrast, the Federal Crop Protection Program is not based on CBI but uses secrecy to avoid political scrutiny. The Environmental Working Group has found that the top fifth of farm recipients collected almost 80 percent of all crop insurance premium subsidies. The premise for keeping these recipients secret is unclear at best. The Heritage Foundation reported:

"Just which big farm businesses are on the federal dole? Taxpayers have no way of knowing. Congress passed a law in 2000 that protects subsidy recipients from public disclosure. Beyond shielding Congress and big farm businesses from taxpayers' wrath, it is not clear why the names of recipients are kept secret. The names of recipients of other farm subsidies — such as commodity subsidies, which boost farmers' incomes — are publicly available. Farm bills being considered in both chambers would repeal commodity subsidies while expanding this "secret" crop insurance. Transparency in commodity subsidies played a big role in making these handouts difficult to politically justify today. Once taxpayers learned that these subsidies were mostly going to large landowners and wealthy farm operations, whose incomes far exceeded those of the average American, outrage rightly ensued." Source: <https://www.heritage.org/agriculture/commentary/the-farm-bills-secret-handout-big-corporate-farms>

According to the non-partisan Sunlight Foundation, "the multi-billion dollar agricultural insurance and the agribusiness establishment — backed by millions in campaign contributions and lobbying" has continually blocked efforts to drop the secrecy of the Federal Crop Protection Program recipients. Source: <https://sunlightfoundation.com/2014/02/07/farm-bill-allows-congress-to-keep-crop-subsidies-secret/>

A GREAT SOURCE TO DISCUSS CROP INSURANCE SECRECY

The Environmental Working Group has been very active on this and would be happy to discuss it with you. Their best contact is Scott Faber

Scott Faber
Senior Vice President
Environmental Working Group

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sfaber@ewg.org

Here is some of their work:

<https://www.ewg.org/release/new-report-highlights-ways-cut-waste-federal-crop-insurance-program#.WuDUPojwaUk>

<https://www.ewg.org/research/crop-insurance#.WuDUQ4jwaUk>

<https://www.ewg.org/research/cutting-waste-crop-insurance-program#.WuDURojwaUk>

<https://www.ewg.org/agmag/2016/02/crop-insurance-industry-s-top-seven-whoppers#.WuDUSljwaUk>

<https://www.ewg.org/policy-plate/2013/11/crop-insurance-pricier-programs-it-was-designed-replace#.WUDUTojwaUk>

<https://www.ewg.org/agmag/2012/12/crop-insurance-safety-net-or-trampoline#.WUDUUIjwaUk>

COST OF CROP INSURANCE VS. SMALL REFINER EXEMPTION

The financial comparison to the refinery hardship program isn't even close. First, the dollars saved by small refinery hardship waivers are not taken from the federal coffers or tax payers. Second, the actual taxpayer dollars at stake in the Federal Crop Protection Program dwarf the hardship waivers in sheer numbers. According to the CBO, "The federal crop insurance program, which helps protect agricultural producers from losses due to low crop yields or lower-than-expected crop prices, is one of the largest support programs for those producers. It cost the federal government \$5 billion in 2016 and an average of nearly \$9 billion annually over the past five years." Source:

<https://www.cbo.gov/publication/53375>

And yet these self-same Midwestern politicians staunchly defend the secret giveaways of the Federal Crop Protection Program while complaining about legitimate CBI protections under a refinery hardship program that is stringently reviewed by two different federal agencies and undertaken as a requirement of the federal courts.

A FEW ARTICLES

See the links below:

<https://newrepublic.com/article/116470/farm-bill-2014-its-even-worse-old-farm-bill>

<http://www.theamericanconservative.com/articles/crony-agriculture/>

FEDERAL CODE:

CFR regs related to confidentiality of employer ID numbers:

(g)ACCESS TO EMPLOYER IDENTIFICATION NUMBERS BY FEDERAL CROP INSURANCE CORPORATION FOR PURPOSES OF THE FEDERAL CROP INSURANCE ACT

(1)IN GENERAL

In the administration of section 506 of the Federal Crop Insurance Act, the Federal Crop Insurance Corporation may require each policyholder and each reinsured company to furnish to the insurer or to the Corporation the employer identification number of such policyholder, subject to the requirements of this paragraph. No officer or employee of the Federal Crop Insurance Corporation, or authorized person shall have access to any such number for any purpose other than the establishment of a system of records necessary to the effective administration of such Act. The Manager of the Corporation may require each policyholder to provide to the Manager or authorized person, at such times and in such manner as prescribed by the Manager, the employer identification number of each entity that holds or acquires a substantial beneficial interest in the policyholder. For purposes of this subclause, the term "substantial beneficial interest" means not less than 5 percent of all beneficial interest in the policyholder. The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this paragraph only to officers and employees of the United States or authorized persons whose duties or responsibilities require access for the administration of the Federal Crop Insurance Act.

(2) CONFIDENTIALITY AND NONDISCLOSURE RULES

Employer identification numbers maintained by the Secretary of Agriculture or the Federal Crop Insurance Corporation pursuant to this subsection shall be confidential, and except as authorized by this subsection, no officer or employee of the United States or authorized person who has or had access to such employer identification numbers shall disclose any such employer identification number obtained thereby in any manner. For purposes of this paragraph, the term "officer or employee" includes a former officer or employee. For purposes of this subsection, the term "authorized person" means an officer or employee of an insurer whom the Manager of the Corporation designates by rule, subject to appropriate safeguards including a prohibition against the release of such social security account numbers (other than to the Corporations) by such person.

Source: <https://www.law.cornell.edu/uscode/text/26/6109>

CONGRESSIONAL VOTES

From HR 2559 - Agricultural Risk Protection Act of 2000

Voting yes: **Durbin, Grassley** and every other farm Senator

SEC. 122. PROTECTION OF CONFIDENTIAL INFORMATION.

Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended by adding at the end the following:

“(c) Protection of Confidential Information.--

“(1) General prohibition against disclosure.--Except as provided in paragraph (2), the Secretary, any other officer or employee of the Department or an agency thereof, an approved insurance provider and its employees and contractors, and any other person may not disclose to the public information furnished by a producer under this title.

“(2) Authorized disclosure.—

“(A) Disclosure in statistical or aggregate form.-- Information described in paragraph (1) may be disclosed to the public if the information has been transformed into a statistical or aggregate form that does not allow the identification of the person who supplied particular information.

“(B) Consent of producer.--A producer may consent to the disclosure of information described in paragraph (1). The participation of the producer in, and the receipt of any benefit by the producer under, this title or any other program administered by the Secretary may not be conditioned on the producer providing consent under this paragraph.

“(3) Violations; penalties.--Section 1770(c) of the Food Security Act of 1985 (7 U.S.C. 2276(c)) shall apply with respect to the release of information collected in any manner or for any purpose prohibited by this subsection.”.

From HR 1947 – Federal Agriculture Reform and Risk Management Act of 2013

Duckworth Vote against an amendment that sought to limit premium subsidies to those producers with an AGI under \$250,000, limit per person premium subsidies to \$50,000 and cap crop insurance providers' reimbursement of administrative and operating at \$90.

Text of Amendment:

Subtitle B—Assisting Family Farmers Through Insurance Reform Measures

SEC. 11045. CROP INSURANCE PREMIUM SUBSIDIES DISCLOSURE IN THE PUBLIC INTEREST.

Section 502(c)(2) of the Federal Crop Insurance Act (7 U.S.C. 1502(c)(2)) is amended— (1) by redesignating subparagraphs (A) and (B) as subparagraphs (C) and (D) respectively; and (2) by inserting before subparagraph (C) (as so redesignated) the following:

“(A) DISCLOSURE IN THE PUBLIC INTEREST.— Notwithstanding paragraph (1) or any other provision of law, except as provided in subparagraph (B), the Secretary shall on an annual basis make available to the public— “(i)(I) the name of each individual or entity who obtained a federally subsidized crop insurance, livestock, or forage policy or plan of insurance during the previous fiscal year; “(II) the amount of premium subsidy received by the individual or entity from the Corporation; and “(III) the amount of any Federal portion of indemnities paid in the event of a loss during that fiscal year for each policy associated with that individual or entity; and “(ii) for each private insurance provider, by name— “(I) the underwriting gains earned through participation in the federally subsidized crop insurance program; and “(II) the amount paid under this subtitle for—

“(aa) administrative and operating expenses;

“(bb) any Federal portion of indemnities and reinsurance; and

“(cc) any other purpose.

“(B) LIMITATION.—The Secretary shall not disclose information pertaining to individuals and entities covered by a catastrophic risk protection plan offered under section 508(b).”.

Other Crop Insurance Votes

2012- Amendment to limit crop insurance premium subsidies to persons with an average income over \$750,000

https://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=112&session=2&vote=00157

Grassley – Yea
Klobuchar – Yea
Stabenow – Nay
Durbin – Yea
Thune – Nay
Blunt – Nay
McCaskill – Nay

2013 – House amendment to limit subsidies to producers with gross income under \$250,000

<https://www.govtrack.us/congress/votes/113-2013/h276>

Duckworth – Nay

2015 – Senate vote to reject a \$3 billion cut to crop insurance

https://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=114&session=1&vote=00330

Grassley – Yea
Klobuchar – Yea
Enrst – Yea
Fischer – Yea
Durbin – Nay
Thune – Yea

Blunt – Yea
McCaskill – Nay
Heitkamp – Yea
Donnelly – Yea

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