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July 30, 2012

Mr. Edward Ryan
Senior Campaign Finance Analyst
Federal Elections Commission
999 E Street, NW
Washington, DC 20463

Dear Mr. Ryan:

This letter is in response to the letter sent by the Federal Elections Commission dated March 9, 2012. After discussion with you for further understanding of our responsibility, as well as with other Separate Segregated Funds that will be impacted by the outcome of this letter, we are prepared to respond. This letter will respond by first outlining the involved parties, their historical relationship, the question at hand in the letter from the Federal Elections Commission, and conclude with our course of action.

INVOLVED PARTIES

The NCGA PAC is the SSF of the National Corn Growers Association (NCGA). NCGA is the national organization representing over 38,000 corn producers in 28 states across the United States. NCGA focuses on promoting production, marketing and policy that helps create and increase opportunities for corn growers. NCGA functions in St. Louis and Washington, D.C., with political activity being directed out of the Washington, D.C. office. In addition to NCGA, there are state-run organizations that function independently from each other and NCGA, but the organizations work in concert on issues of national importance. NCGA has significant relationships with and receives funding from the 28 states, although the funding and interaction levels vary state to state. NCGA has an SSF, the National Corn Growers Association Political Action Committee (NCGA PAC), which functions as a Separate Segregated Fund (SSF) of NCGA.

The letter was sent to the NCGA PAC seeking more information on the issue of ?affiliation? with other SSFs, including Illinois Corn Growers Association Political Involvement Fund-Federal (C00376590), Minnesota Corn Growers Association Federal PAC (C00416982), Missouri Corn Growers Association Federal PAC (C00487686) and the Texas Corn Producers Association of Texas (C00503847).

HISTORICAL RELATIONSHIP

The NCGA PAC is one of at least seven Political Action Committees, including those four listed above, established independently to advocate on the federal level in support of corn growers and their interests. The NCGA PAC is aware of and communicates with these PACs on a consistent and continuing basis. Interaction with the several SSFs is substantially limited to emails and phone conversations. These conversations center around candidates considered for funding by one SSF and upcoming fundraising opportunities. Other topics arise infrequently, and as a result of the friendly nature of the interactions.

In more detail, conversations between NCGA PAC and another SSF have included seeking one another?s perspective on candidates for federal office, including a member?s stance on key issues, reputation in the state or district, importance on upcoming legislation, and upcoming opportunities for financial support.

Conversations also include inquiries about contribution amounts, dates of contributions, seeking information for opportunities to contribute and invitations to deliver checks on one another?s behalf at events in the state/district or Washington, D.C., depending on the event itself.

Other conversations involve the annual fundraising event that NCGA PAC holds, where all member of NCGA are invited to participate. NCGA PAC follows all FEC regulations and guidelines on solicitation, and holds the event independently of

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any other corn-related SSF. As members of the underlying organization, the member states (not their SSF) are given the opportunity to contribute to the fundraiser, but this opportunity is extended to all states, and not restricted to states that have related SSFs.

From time to time, a SSF has queried the NCGA PAC in regard to FEC process, reaching out for advice or information, but not direction or dictation on interaction with the FEC.

QUESTION AT HAND

The Federal Election Commission identifies as ?affiliated? two or more PACs that meet some of the following criteria:
?Has the authority or ability to direct or participate in the governance of another ? committee through its constitution, bylaws, contracts or other rules, or through formal or informal practices or procedures;
?Has a common or overlapping membership, or common or overlapping officers or employees, with another sponsoring ? committee, indicating a formal or ongoing relationship between them;
?Provides or arranges for the provision of funds or goods in a significant amount or on an ongoing basis to another ? organization ?;
?Makes or receives contributions in a pattern similar to that of another ? committee, indicating a formal or ongoing relationship between them. (Campaign Guide for Corporations and Labor Organizations, January 2007 pages 5-7)

In the past and as recently as 2007, the NCGA PAC evaluated these regulations and concluded that the relationship the SSF has with other SSFs does not meet the criteria requiring affiliation with the Federal Elections Commission. It appears that, unknown to the NCGA PAC, other SSFs that communicate with the PAC felt it was prudent to register as affiliated with the FEC. This is the issue raised by the March 9, 2012 letter.

After much review of NCGA PAC?s activities internally, with other SSFs and in conversation with FEC Senior Campaign Finance Analyst Edward Ryan, the PAC has concluded that it is indeed not affiliated with other corn-related SSFs. Outlined below are the reasons NCGA PAC has reached this conclusion, based on the definitions for affiliation provided in the Campaign Guide for Corporations and Labor Organizations, January 2007 pages 5-7.

1.Affiliation between SSFs results when committees are established, financed, maintained or controlled by the same organization. 100.5(g)(2)
NCGA PAC and the other SSFs have been established, are managed and maintained independently of each other, with no control, influence, say or power over one another?s financial, administrative or political activity. There is no cooperation or collaboration on raising or distributing funds, record-keeping or FEC reporting. Further, NCGA PAC or another SSF cannot dictate or control which candidate(s) another support. Advice can be offered and is readily sought, but there is no control, no management, no oversight and no influence between PACs.

NCGA PAC and the other SSFs have no controlling financial interest in one another. NCGA PAC does not have involvement in and other organizations do not have involvement in NCGA PAC with regards to fundraising, budgeting, maintenance, FEC documentation and reporting, financial management, record-keeping, distribution to candidates, either the candidates or amounts, and do not have any shared accounting system.

NCGA PAC Bylaws do permit one grower member specifically from a state with a PAC, in addition to members from the Corn Board (NCGA?s grower-led governing body), several grower-led action teams, and appointees by the Corn Board. This member is one of ten growers and does not have any management or administrative influence on the NCGA PAC.

2.An SSF established by a parent corporation is affiliated with an SSF established by a subsidiary corporation. 100.5(g)(3)(i).
NCGA is a national organization that represents over 38,000 members across the United States. It also works closely with 28 state organizations, some of which are more

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active than others. NCGA did not create any state organization, and there is no parent/subsidiary relationship between NCGA and a state organization.

3.When SSFs are established by different parts of one organization, they are automatically affiliated. 100.5(g)(3)(iv) NCGA and other corn grower organizations are independently created, managed and maintained and therefore are not one organization but 29 working in concert on only issues that are relevant to all organizations. NCGA holds no authority to dictate, direct or control the actions of a state corn growing association, and no state can individually dictate, direct or control the actions of NCGA. This lack of control is extended to the PACs managed by the various states and NCGA.

4.When two or more committees are affiliated, they share a single limit on the contributions they make to candidates and to other political committees. A single limit also applies to the aggregate contributions a person makes to the committees affiliated with each other. 100.3(a)(1) Additionally, when two or more committees are affiliated, they may solicit each other?s restricted class. 114.5(g)(1)

NCGA PAC and other SSFs do not maintain a common fundraising or distribution database, do not share details of fundraising or distribution efforts, and do not solicit one another?s restricted class. NCGA PAC limits solicitation to members of the National Corn Growers Association only, and does not permit contributions from individuals who are members of other corn growing entities but not NCGA. Likewise, the state-managed SSFs do not solicit outside their own restricted class, limiting solicitations to state corn grower association members.

5.When committees are not automatically affiliated ? the Commission may consider ? if one committee or its sponsoring organization owns a controlling interest in the voting stock or securities of another organization sponsoring a political committee.

As stated previously, NCGA is an independent organization that receives some of its funding from 28 member states, but no one state maintains or asserts a controlling interest in the organization, its management or administration.

6.When committees are not automatically affiliated ? the Commission may consider ? if one committee or its sponsoring organization has the authority or ability to direct or participate in the governance of another sponsoring organization or committee through its constitution, bylaws, contracts or other rules, or through formal or informal practices or procedures.

As stated previously, NCGA PAC Bylaws do permit one member from a state with a corn-related SSF to sit on the Board; however, that individual member is one of ten growers that participate in the direction of the PAC on a broad scale but do not have influence on the daily functions, administration, management, or reporting of PAC activities. The member has the ?authority or ability to ? participate in the governance? of the NCGA PAC, he/she does not have any authority to ?direct? the PAC.

7.When committees are not automatically affiliated ? the Commission may consider ? if one committee or its sponsoring organization has the authority or ability to hire, appoint, demote or otherwise control the officers or employees of another sponsoring organization or committee.

NCGA PAC is run solely within the NCGA organization, and no other SSF, nor the CornPAC Board, which has a member from a state SSF, has authority to ?hire, appoint, demote or otherwise control the officers or employees? of the NCGA PAC. NCGA PAC uses NCGA staff for management and administration of the PAC, and does not employ or accept volunteer efforts from outside parties, including those from corn-related SSFs.

8.When committees are not automatically affiliated ? the Commission may consider ? if one committee or its sponsoring organization has a common or overlapping membership, or common or overlapping

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officers or employees, with another sponsoring organization or committee, indicating a formal or ongoing relationship between them.

NCGA has over 38,000 members in 28 states. These members are also eligible to be members of any other trade organization, including a corn-related association at the state level. Each state and NCGA have different governing laws, membership requirements and rewards and priorities. NCGA and each state have separate staffs that work together closely on issues of mutual interest, but function independently of one another and are not unduly influenced by one another. The various organizations function in concert with one another on issues of mutual interest, but are independent organizations. NCGA's PAC represents to the best of its abilities the 38,000 members in all 28 member states, not just the states with SSFs.

9. When committees are not automatically affiliated ? the Commission may consider ? if one committee or its sponsoring organization provides or arranges for the provision of funds or goods in a significant amount or on an ongoing basis to another organization or committee, such as through payments for fundraising and administrative costs.

NCGA receives a portion of its annual funding through various means from the 28 states, six of which have corn-related federal SSFs. However, this funding stream does not extend to the NCGA PAC, or from the NCGA PAC to the above-mentioned PACs. There is no consistent or reciprocal funding stream, NCGA PAC does not make or receive payments for fundraising or administrative costs from other SSFs.

10. When committees are not automatically affiliated ? the Commission may consider ? if one committee or its sponsoring organization makes or receives contributions in a pattern similar to that of another organization or committee, indicating a formal or ongoing relationship between them. 100.5(g)(4)(ii)(A)-(J), 110.3(a)(3).

NCGA PAC contributes solely to members of Congress with a voting record that can be used to establish their continued support for NCGA priorities. This voting record, along with other factors, determines whether a candidate is eligible for funding from NCGA PAC. NCGA PAC will consider contributing funds to any member who meets these requirements, without direct input from other SSFs. Other SSFs that are focused on promoting issues important to corn growers will by their very nature contribute funds in a similar manner. However, there is not a formal or ongoing relationship between NCGA PAC and any corn-related SSF outside of overlapping candidates eligible for funding. NCGA PAC is not aware of and does not influence how other corn-related SSFs determine how they allocate their funds.

COURSE OF ACTION

NCGA PAC strongly believes that it does not meet on any substantial level the requirements for affiliation with any other SSF, including those who have already listed NCGA PAC as an affiliated PAC. Members of NCGA PAC have spoken with members of the other corn-related SSFs and have indicated the priority of resolving this issue. Additionally, NCGA PAC will seek a legal opinion on the issue of affiliation. Once this legal opinion has been provided, NCGA PAC will communicate the results with the other corn-related SSFs so that all corn-related SSFs are functioning with a common understanding and avoid further misunderstandings or problems with FEC declarations.

For further information, please contact Jon Doggett or Natalie Cook at 202-628-7001.

Sincerely,

Rodger Mansfield Jon Doggett
Treasurer, NCGA PAC Exec. Director, NCGA PAC