The Daily Dish

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The Obama Administration reversed its decision pulling the No Child Left Behind waiver from Oklahoma. The state's superintendent was relieved saying "The ramifications of losing the waiver would have been significant and with potentially disastrous consequences…Instead, Oklahoma now has an opportunity to build upon the innovations and successful reforms of recent years."

Restaurants are bracing for FDA's menu labeling rule, which is expected any day. The rule can become very complicated for businesses with selection options such as pizza. According to The Hill, Lynn Liddle, executive vice president of Domino's and chairwoman of the American Pizza Community says, "Pizza is so customizable that it's literally impossible to put all the calorie information on a menu." This rule is expected to be one of the most expensive for the food industry in recent memory.

Eakinomics: TRIA Redux

Every policy issue has its day in the sun or, perhaps, its grilling under the hot lights. Such is the fate of the Terrorism Risk Insurance Act (TRIA). TRIA was established in the aftermath of the terrorist attacks of September 11, 2001 to provide a financial backstop to commercial insurers offering insurance against terrorist risks. With the hindsight of 9/11, private reinsurers offered coverage only at very expensive rates or withdrew from the market altogether. By 2002, insurers had excluded terrorism from their policies in 45 states. Policymakers worried that the ongoing lack of coverage (or coverage at prohibitively high prices) threatened to stall the construction and real estate industries. TRIA was enacted to support the economics of those sectors.

Since that time, conservatives have been concerned that TRIA is no more than a handout to insurance and real estate interests; presumably because terrorism insurance would be available or because the builder would proceed without it. Accordingly, re-authorization of the program inevitably involves a political fight. The debate rages anew.

The basic problem is that terrorism risk insurance dried up after 9/11. The data are quite clear that few policies were offered, and fewer still at "reasonable" rates. Would that happen again in the absence of TRIA? Or, was the re-emergence of an insurance market a tribute not to TRIA, but to the resiliency of private markets? In the absence of an answer, one strategy is to steadily pull back the government backstop in order to discover what kinds and magnitudes of risks the private market can handle. Politics is not typically conducted along such analytic lines, but one way to view the ongoing struggle to re-authorize TRIA is as an effort to identify the *essential* scale, composition ("premiums", "deductibles" and "co-pays"), and duration of government insurance to the terrorism risk insurance industry.

TRIA will go forward, but there is not reason for anyone to expect a rubber stamp of the *status quo*, either as a matter of the politics or the policy of TRIA.

From the Forum

What Ebola Tells Us About Our Health Care System by Robert Book, AAF Health Care and Economic Expert

Title II Reclassification Explained by Will Rinehart, AAF Director of Technology and Innovation Policy