

Radio Oklahoma Network
OklahomaFarmReport.com

Ed Richards with House Agriculture Committee Chairman Frank Lucas (R., Okla.)
January 25, 2012

NOTE: This is an **Unofficial Transcript** of a *Radio Oklahoma Network-OklahomaFarmReport.com* interview.



Keith Good
FarmPolicy.com, Inc.
Champaign, IL
www.FarmPolicy.com

Mr. Ed Richards: Speaking with Chairman of the House Ag Committee, Oklahoma Congressman Frank Lucas. And Congressman, let's get right to it. You were there last night at President Obama's State of the Union address. Did you hear anything that was important to rural America and agriculture?

Rep. Lucas: Well, I was impressed that the president used as a joke his discussions about the EPA efforts to classify milk as a hazardous waste. We've addressed that, pushed hard back on that now for several years in the House Agriculture Committee. I wish he had discussed the Labor Department's efforts to make it nigh on impossible for young folks to work on farms. That does bother me.

But by and large, Ed, what the president gave was a pretty decent campaign speech. I don't know what it would cost to do everything he wants to do, because we don't have the money. And I do regret, though, that he didn't acknowledge that it's time to write a farm bill and encourage that, but he didn't.

Mr. Richards: Well, let's get to that. You've been quoted as saying you believe we really need to start from scratch with the 2012 Farm Bill after we saw efforts to attach something to the super committee proposal fail, of course. Is that still your plan?

Rep. Lucas: Absolutely, Ed. We did a hurry up process in November and December when there was an opportunity to attach potentially what would have been a complete farm bill to the super committee effort. The super committee fell apart, but Senator [Debbie] Stabenow [D., Mich.], Chairwoman of the Senate Agriculture Committee

and I, and Ranking Member [Collin] Peterson [D., Minn.] and Ranking Member in the Senate Pat Roberts [R., Kans.], we put a bill together. We would have achieved \$23 billion in savings, but we would have tied down, for the next five years, a farm policy in this country. The super committee process didn't work, so now we start all over.

I'd remind my neighbors back home there are a lot of moving pieces in this process. I've got to not only work with my committee members, my ranking member, we've got to deal with the Senate and what they're able to do on the other side of the body. There will be new scoring numbers from the Congressional Budget Office about how much money is available. There will be a budget resolution before too many months that will have to be addressed in the House. So we've got a long ways to go, but the hand has not completely been shown.

But I would say this. Senator Stabenow over on the Senate side was wonderful to work with. I think she wants a farm bill as bad as I want a farm bill. And if we just have half a chance we'll get something done this year.

Mr. Richards: Not to put you on the spot. Is there a potential timeline doing the farm bill, or are you ready to accept just an extension to get it on down the road, or where do we stand as far as time?

Rep. Lucas: Ed, if I could tie down existing policy for one more year, if I could take the '08 Farm Bill and just add one more year to it in the form of a complete extension, you bet that's the direction I would go. This has been a very successful farm bill. Producers are generally – nobody's ever universally happy with a farm bill – but are generally pleased. My problem there is in the new budget reality we work in, I don't know that there would be enough money allocated to us in this coming year to just do what we've been doing and move it forward.

But if we can't get a farm bill done in 2012, then our listeners are very well aware the old farm bill starts to expire at the end of September this coming fall. If we can't get a farm bill, then yes, the fall back is an extension. And short of that, then, trying to address, in a lame duck session of Congress after the November general election, which is the worst-case scenario. I think my neighbors, when they put their fall crops in the ground, want to know what the programs are, they want to know what the rules are, and I want them to know that, too. I just...there's so many things in the air, I just can't say with any certainty, Ed.

Mr. Richards: Let's switch gears a little bit. Now, where are we on really knowing the whys of the MF Global – I'll call it a debacle – and where are we on recovering the money for our farmers and ranchers who saw their funds just disappear?

Rep. Lucas: The Ag Committee was the first full committee to bring in Mr. [Jon] Corzine, the former head of MF Global, to basically interrogate him about the circumstances, why a billion plus dollars went missing. Then we also had producer groups. We had the entities that handled the transactions there also. The bottom line

that came out of that hearing was that Mr. Corzine essentially wouldn't take responsibility for the money that went missing.

Now what do I mean by going missing? MF Global is a business set up, and it basically had two parts. The part that dealt in futures transactions and derivatives for other customers, the money for those accounts was supposed to be held in segregated, protected accounts. Then the other side of the company was the speculative portion where they used the company's money to do their own derivative trades and their own future trades that were purely speculative – not hedges like the customer side, but speculation on their side.

The rub in this case is when the company fell apart financially, all of these dollars – and these are monies that belong to some Oklahoma companies and folks – got moved from the protected accounts over to the other side of the company in the speculative accounts, it appears, to cover their bets. That's against the law. The question is who broke the law, and of course where did the money go and how do we get it back.

I think the trustees are trying really hard. Something like 75 cents on the dollar has been returned so far. I don't know that 100% on the dollar will be returned. But I do believe, when all the investigative audits are done, somebody's going to the penitentiary over this. Somebody broke existing law.

Now, the Ag Committee, once we've got those audit results, we'll look at the present law and make changes that need to be made. But the bottom line remains nothing in Dodd-Frank, if it had been totally in place, would have prevented somebody breaking existing law and stealing from the customers' accounts to cover their own speculative accounts on the other side of the company.

Mr. Richards: One thing you promised a year ago when you took over the leadership of the Ag Committee was vigorous oversight of the Obama regulatory scheme. I'm citing, actually, the EPA, Department of Labor, other agencies that just keep piling on regulations that directly affect rural America. Is that quite a task?

Rep. Lucas: That's quite a task, Ed, and it's an ongoing process. I can't even tell you how many times we've had the Secretary of Agriculture and the under secretaries in to discuss how they implement programs, how they address a variety of issues. We've had the EPA director in. Ms. [Lisa] Jackson spent four and a half hours last year in front of the committee discussing everything from potential dust rules to water rules to spray drift rules, trying to get the administration's attention. And I think we made some progress.

I mean, when the president, in his State of the Union speech, tried to use the EPA efforts early on to consider milk, in case it was spilled, as a hazardous waste, I mean, we pushed back hard on that in the Ag Committee. When he made a joke of that, it said to me that we've gotten their attention. I just wish the president would address all these other issues: water, spray drift, dust, and even the Labor Department, their

child labor laws proposed rules in the same fashion. So we're pushing hard back trying to get the administration's attention.

Mr. Richards: And finally, let's get local here, Congressman. Your district has a lot of stake over the fate of the lesser prairie chicken you've heard about. The state of Oklahoma has a plan they're presenting right now to Fish & Wildlife this week, actually. How do you see this regulatory battle turning out, speaking of regulations?

Rep. Lucas: You know, if trying to do the right thing matters, the state of Oklahoma and all the agencies in the state of Oklahoma working together, trying to create a – I guess the term is “mitigation plan” – to address the habitat issues of the prairie chicken, to try and encourage the maintenance of their populations and increase their populations, my constituents, my friends across the state of Oklahoma are doing everything they can. Now will the EPA, will Fish & Wildlife, will all these entities pay attention? That's the question right now.

And it's not just the basis, questioning in the mind of many producers and myself the basis on which the federal government's going after the state on this, but there's some other issues out there, Ed. I mean, we've just come through, in 2011, one of the most horrendous droughts of anyone's recent memory. You know that has an effect on all wildlife population numbers. I'm now very concerned that the feds will try to penalize us over issues that Mother Nature has control over, and nothing we have any control over whatsoever.

But we're going to continue to work with our friends on the state level and try and get the feds' attention. We really need to, in effect, go in and, whether you want to use the phrase reform, correct, make dramatic changes in the Endangered Species Act, that's what we really need to do. But I can't get that bill through the Senate, and I have a hard time believing the president would sign it, even if we could put an Endangered Species Act reform bill on his desk.

Mr. Richards: Congressman, we want to thank you for your time. That is Chairman of the House Ag Committee, Oklahoma Congressman Frank Lucas. I'm Ed Richards for OklahomaFarmReport.com.

[End of recording.]