

AGRICULTURE: Senate votes to end farm bill debate, extend CFTC act

By Allison Winter

The Senate voted last night to limit further debate of the farm bill, after amending it to include an extension of other legislation that oversees energy futures markets.

Senators voted 78-12 to invoke cloture on the farm bill last night, which limits debate to no more than 30 hours of germane amendments. The vote clears the way for the legislation to move to final passage, which Senate Majority Leader Harry Reid (D-Nev.) said would happen later today.

The farm bill would oversee \$283 billion in farm, conservation, energy and nutrition programs over the next five years and \$5 billion in disaster assistance. Senators also tacked on a reauthorization last night of the Commodity Exchange Act, which spells out regulation of futures markets through 2013.

The amendment from Sens. Carl Levin (D-Mich.) and Dianne Feinstein (D-Calif.) will give the Commodity Future Trading Commission more authority to regulate energy markets.

It would reauthorize the CFTC, close the "Enron loophole" and increase federal oversight in electronic energy markets. Levin and Feinstein worked out a deal on the amendment so they could get the wide backing from the affected organizations. CFTC, the Intercontinental Exchange, the New York and Chicago Mercantile Exchanges and the President's Working Group on Financial Markets all endorsed the measure.

The Senate accepted the CFTC amendment by unanimous consent. Other proposals that came up for a vote yesterday did not fare as well. Senators have kept the committee's proposal to extend most crop subsidies intact. They voted down two different proposals yesterday that would have placed some limits on farm payments, dashing hopes of those who had advocated for rolling back some of the bill's subsidies.

Senators also rejected, 37-58, a proposal that would have limited the government's authority to condemn and acquire property for public parks. The eminent domain proposal from Sen. Larry Craig (R-Idaho) would have cut off federal funds for the next five years for any state or locality that used eminent domain for "involuntary acquisition" of farmland and grazing land for public parks, recreation, open space or conservation. Governments frequently use eminent domain to gain land for parks.

The League of Conservation Voters and other environmental groups opposed the amendment. Glenn Sugameli of Earthjustice called the proposal "unconscionable and incomprehensible."

Craig said it was a critical private property protection in response to the Supreme Court's *Kelo v. City of New London* decision.

"Something new is happening out there in the post-*Kelo* environment, especially to lands that are adjacent to the urban environment," Craig said.

The Kelo decision affirmed the use of eminent domain by cities and states, as long as the land in question is for public use, including private development. Senators opposing the amendment said it was too harsh on local governments and would not address key concerns of *Kelo*, like the use of eminent domain for private development.

Failed reform proposals

The Senate also rejected yesterday the two remaining attempts to eliminate large subsidy payments for farmers: an amendment that would have blocked wealthy farmers from getting federal assistance and another proposal to lower the cap on how much any farm can receive.

Sen. Amy Klobuchar's (D-Minn.) bid to lower the maximum income level for a farmer to be eligible for assistance failed, 48-47. Democrats and Republicans agreed to rules that forced the amendment to get 60 votes before anyone made an official filibuster attempt.

The Klobuchar amendment would have blocked payments to full-time farmers making more than \$750,000 a year and to landowners whose primary income comes from outside the farm who make more than \$250,000 a year.

The committee bill has a higher limit for non-farmers, \$750,000, and no income cap for full-time farmers.

The Bush administration proposed a much lower income limit -- \$200,000 -- and has threatened to veto the committee's farm bill, arguing it does not go far enough to reduce subsidies. Acting Agriculture Secretary Chuck Conner said he was "disappointed" with the vote and said the Klobuchar amendment would have been "a step in the right direction."

"Its defeat signals yet another missed opportunity by the Senate to enact true reform," Conner said in a statement.

The Klobuchar amendment was the third reform proposal rejected this week. The Senate also turned down a wider-ranging proposal to throw out the entire crop subsidy system earlier this week and narrowly defeated a payment-limits proposal from Sens. Charles Grassley (R-Iowa) and Byron Dorgan (D-N.D.) yesterday.

A coalition of taxpayer, environmental and religious groups backed all of the amendments as part of their campaign to scale back billions in crop subsidies. They say the payments provide an unfair advantage to large corporate agribusinesses and use money that could otherwise be invested in conservation or nutrition programs.

The Grassley-Dorgan proposal fell four votes shy of the 60 it needed for passage, garnering less support than it did on the 2002 farm bill. When the pair proposed the subsidy caps in 2002, it passed with 66 votes in the Senate but did not survive conference negotiations. Southern lawmakers mounted the biggest opposition to the amendment, saying it would be unfair and difficult for their cotton and rice farmers, who get more federal support but also have higher expenses on their farms.

Four lawmakers who voted against the amendment yesterday had supported payment limits in previous Senate votes: Sens. Kent Conrad (D-N.D.), Olympia Snowe (R-Maine), Debbie Stabenow (D-Mich.) and George Voinovich (R-Ohio). Conrad said he voted against the amendment because of an agreement among some members of the Agriculture Committee to avoid significantly changing the bill.

The committee's bill includes other provisions that seek to cut down on the abuse of farm payments. It requires "direct attribution" to make it easier to trace what farmers receive payments and eliminates the "three-entity" rule that allows farmers to collect multiple payments for one operation.

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