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MICHAEL V. DUNN  
UNDER SECRETARY FOR MARKETING AND  
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00:00:26:19 Q: Today is October 20th of the year 2000. I'm Larry Quinn with the Office of Communications at the U.S. Department of Agriculture in Washington. With us today is Michael Dunn, the Under Secretary of Agriculture for Marketing and Regulatory Programs. Secretary Dunn, I'd like for you to tell us when you first came to the Department of Agriculture.

00:00:47:04 A: My first tour at the Department of Agriculture was actually under the Carter Administration. I came in from the mid-west and I was the mid-west Director for the Farmer's Home Administration in the late 70s. It was quite a bit of different time because at that time there was booming economy in agriculture. There was inflation of land and all producers seemed to be doing very, very well.

00:01:13:20 Then I came back with the Clinton Administration and I started off at the beginning of the administration as the Administrator at Farmers Home Administration. We were

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undergoing the reorganization. We will talk about that in a bit.

00:01:27:04 Then I became the Deputy Under Secretary for Rural Development; the Acting Under Secretary for Rural Development; the Assistant Secretary for Marketing Regulatory Programs and the Under Secretary for Marketing Regulatory Programs.

00:01:42:17 Q: So you've had a wide array of experience during the time you've been here. Let's start with some of the challenges that you saw, and I sense that the reorganization might have been one of those challenges.

00:01:53:19 A: I think the timing of the Clinton/Gore administration is extremely important to put that into context of what was going on. If folks remember we were at a time when we had budget deficits. There was a tremendous amount of pressure to try to balance a budget.

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00:02:17:21 You had a new administration come on that wanted to do that. Simultaneously we had the Government Performance and Results Act that had been passed and the Paperwork Reduction Act that had been passed. So there was a real emphasis of handling government in a different way to try to be more efficient, more effective but to do all this with less resources both human and fiscal.

00:02:46:22 So there was a tremendous challenge coming into this administration and I think a feeling in the world and in the United States that our government had gotten out of control. It wasn't doing it's function. It wasn't serving the public.

00:03:03:07 The task we had was to restructure this and to be able to do that. Starting off with then Secretary Mike Espey (ph.) put together a reorganization plan of reorganizing the government. It was really around the reinvention themes that the President and Vice President had put together of reinventing government to look at what we're

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supposed to be doing. What are the core business functions.

00:03:38:20 Are we providing the services that we needed to provide to the population out there? This I think was very, very important early on in the administration that they took the time to do that reorganization early. In the Carter administration it wasn't until the end of that term that then Secretary Bob Bergland said let's look at the structure of agriculture.

00:04:06:12 Well this was an opportunity to up front let's change things, let's make it work. So we spent a lot of time at the beginning of trying to establish what was the clear mission of the agency and it's mission areas within the department. What were the core business functions? What business restructuring engineering were? Things that we were looking at trying to do.

00:04:32:01 The administration of--the Vice President put out some

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things that I thought were very good. They talked about reinventing government, and they gave us all little cards here on reinventing government team members and what you were going to do.

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It talked a lot about getting out of Washington. Go out in the countryside. Talk to people. Find out what it is that they want us to do. To use the employees that we have. To use the people that we regulate. For us regulators they put out a little card as well. It says here's what all regulators will do.

00:05:10:29

We'll cut obsolete regulations. That was the Paperwork Reduction Act. Reward results, not red tape. Get out of Washington, create grassroots partnerships. Negotiate, don't dictate. These were really great tenets to begin to go about the beginning of this administration of how could we do a better job at governing and do it at less cost?

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00:05:38:27 We went through a rewriting, a reorganization. It had to be legislated. So we spent a good deal of time in negotiating with Congress on how we're going to reinvent the government here at the Department of Agriculture. USDA was one of the first that did reorganization.

00:05:58:11 It took a lot of time and effort. But part and parcel of what the President and Vice President was telling us was to involve the employees that we have especially the SCS employees, people that have had a lot of institutional knowledge of what's been tried in the past.

00:06:16:25 Talk to the folks that are out in the field. Try to make sure we do the right thing, the right way, the right place at the right time. So that was what we took into this reorganization. One of the things that are talked about--I still remember what Bill Clinton when he was campaigning saying everyone counts.

00:06:39:19 That carried over in the reorganization, everyone counts.

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We had great meetings within the department and solicited from the employees how can you do your job better? What are the problems? What are the barriers that keep you from doing your job? How do we restructure to allow you to do your job better?

00:07:00:16 With anything you have some successes, you have some failures. But that beginning of really delineating what the mission area was for the various agencies and using that Government Performance Results Act format I think was very, very helpful in getting us on the way to do the restructuring.

00:07:22:29 Now we had some very basic goals here. Streamline. Get people out of Washington. Get them out to the field where they can be more innovative and they can actually do the job. I think that was very, very important. We've gotten top heavy here in Washington.

00:07:41:00 We had a goal to insure that we only had 15% of the folks

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in Washington, D.C. The rest would be out in the field, on the ground doing their job. We had a goal as how many supervisors per employees there would be out there so that we would really spread out this chain of command.

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This I think was a good general direction. Then the President and Vice President left it up to the Secretaries and the sub-cabinet, the administrators, to put together the plan of how it was going to work. So we went about doing that, and I'll talk a little later about how we succeeded and where I thought we did very, very well in that arena.

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But I want to dwell just a minute on this every person counts because this is a reoccurring theme that has come up in this administration. We saw it in the executive order that the President gave for employees with disabilities to insure that we're giving them an opportunity to optimize their potential in the government.

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00:08:45:11 Here at the Department of Agriculture the Secretary put together the Secretary's Advisory Committee for Employees with Disability. Their goal was to make the USDA the employer of choice for persons with disability. With that simple goal they went about restructuring things and with identifying what barriers were for employees that kept them from being able to do their jobs.

00:09:13:21 Did this with the Hispanic community, certainly with the civil rights and equal employment opportunities that Secretary Glickman has put a lot of emphasis on. You could see the shift of empowering employees in the importance of employees. Because you had to have that buy-in to get the basic functional changes done that the administration wanted to complete.

00:09:38:28 Q: Did you find that your field office experience with USDA was useful as you began to look at those structures nationally.

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00:09:46:26 A: I think it was very, very important because in any time you're making a change in an organization people always look at their immediate supervisor. If there isn't the buy-in from mid-level in management it's simply not going to happen because that's who they look to.

00:10:05:17 So it was very, very important. I know as the administrator of Farmers Home Administration I went around to all the states, met with the chiefs of the programs, met with the regional directors of the programs and sat down with them and asked them to tell me what they thought we should do in reorganizing.

00:10:24:12 I used to always go to meetings and say to them I want to start off with you repeating after me. They say okay we'll repeat after you. I'd say, Mike, that's the dumbest thing I ever heard. They'd repeat that. Then I'd say now after you've told the administrator that once you can tell the administrator anything.

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00:10:43:21 That worked well because you had to have them open up to talk about what works and what doesn't work. Met with the employee unions as well. Another thing that the President asked us to do is set up partnerships councils and to get out of this concept that we're at odds between management and union and bring the union in to help us reorganize the government, help us to determine how we can do a better job with that very scarce resource, the human resource that we have.

00:11:18:05 I think this was one of the major reasons that we were as successful as we were in the reorganization is because there were no surprises. We tried to insure that everybody knew what was going to happen because for a long time people said oh, they're gonna reorganize. They're going to downsize or as they call it right size, and everyone was afraid for their job.

00:11:40:17 It's very difficult to do your job when you say well I

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may not have it. So by keeping them fully informed of what was going on, bringing the employees to the table, bringing the supervisors to the table, getting their input into that reorganization they felt like they had some control over their own destiny.

00:11:58:12 Q: The infrastructure is really the basis of which you can get the job done. So to do a better job you started with the infrastructure.

00:12:07:07 A: That's correct. That really I think led to some of the tremendous successes that we've had in this administration actually doing governing.

00:12:18:05 Q: So as you began to do this what were probably the most difficult challenges you first came besides certainly the resistance to change which is natural. Change does take a lot of work and a lot of time.

00:12:33:10 A: It takes a lot of time. It takes a lot of time, and

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remember we don't do this in a vacuum. Not only did we have to convince the employees it was right thing. We had to convince the customers that it was the right thing we were going about and we had to convince Congress. We had a lot of oversight hearings to insure that we were doing the right thing.

00:12:53:16 Remember, this reorganization was a legislative creature.

So we had to come up with a proposal to convince them. It did take a lot of communication and a lot of hard work on the part of a lot of people. But I think at the end of the day it was having that involvement of all employees that made sure that we had a success.

00:13:15:12 Q: Once the change was made how did the implementation go? Was it faster than you expected or...?

00:13:21:29 A: Well, it was difficult at times. I know that I had gone around in all the positions that I had been making the speech about doing more with less. Finally I was

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telling a group of employees that we're going to be doing more with less and this guy in the back of the room raised his hand.

00:13:40:09 He said Mr. Dunn, I want you to know my name's Less and I'm getting pretty tired. So it really was important that as we went about implementing these things that we had the resources there to do the reorganization and insure that we get the job done.

00:13:58:09 One of the things that you find in a bureaucracy is that people are reluctant to suggest changes, to say we're gonna do something different because they've always heard from their supervisor do this. Keep your head down. Don't make waves and you'll be fine.

00:14:18:00 One of the things that the President and Vice President, really the Vice President did that I thought was a stroke of genius was to begin giving hammer awards for reinvention. So employees that came up with an idea that

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found a better way for us to do the job were recognized for it and whole units would be recognized.

00:14:40:08 I remember one that we gave to a group of employees in Pennsylvania for streamlining the export/import market. One of the things that the President and Vice President asked us to do was to use technology. When we came onboard here we didn't have fax offices. We didn't have computers that could talk to each other. The communications were very, very tough.

00:15:05:12 These employees thought well we can do a better job. It was taking them three to five days to do a certificate for someone out in the countryside that wanted to ship cattle or something overseas. They thought they could do a better job by getting rid of the paperwork, doing it on a fax machine.

00:15:24:21 Using computers if they had them and going out and structuring their visits with the people who had asked

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for the certificate. They cut down substantially on the amount of time and the cost that it had for the person who wanted to do the exporting. This is something that people realized.

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Now when we went out and gave that team an award one of the things I found out was that they bought their own fax machines because they wanted to make it work. I rectified that. I got them reimbursed for the fax machine and made sure that they had federal ones in the future.

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But it was that type of dedication of employees that say we want--give us the opportunity to make this change, to make it work, that I think really had good results in our reinvention efforts.

00:16:18:09

Q: In your variety of jobs that you've held you've had an option to deal with a lot of issues across the board in the department. What were some of the issues that you

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found most interesting, sometimes frustrating or challenging?

00:16:31:19 A: My present position in marketing and regulatory programs really is a deal with everything from animal control to Asian longhorn beetle pest to bovine spongiform-encephalopathy (ph.) or mad cow disease to milk marketing order reform to concentration. It's just a whole spectrum of how do we go about doing regulations.

00:17:03:12 Again, what goes on in the administration, some of the big picture items, have tremendous impact on how we act and react. Hopefully we're doing it in tandem so that we're going together. The advent of NAFTA and the WTO is I think a very, very good example.

00:17:29:02 We in the administration said we were going to get involved with the WTO. We were going to do away with the old turf barriers that were out there. As a result of that getting rid of those we then saw countries put in

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place--sanitary, fiber sanitary barriers that sometimes were pseudo-science based.

00:17:55:13 They were designed to offset the old tariff that they had. This became very, very important for AFIS to establish a sanitary, fiber sanitary regime that was recognized throughout the world as leadership. So we had to take a look at what we were doing and put together an SPS regime that reflected sound science, something that was transparent so the third world could see what we were doing and how we were doing it and something that we could operate.

00:18:34:25 We had early on a very, very tough threat come into us in 1996 in March. We found kernelvent (ph.) in wheat in Arizona. We had never had kernelvent in the United States. In fact we wouldn't accept wheat from a country that had kernelvent. So we had an immediate problem.

00:19:03:09 First of all under the agreement we would tell our trade

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partners what we had found. So we went about doing that.

Said we have found this problem in the state of Arizona.

Then we had to convince them that we knew how big that problem was and that we were taking care of that problem.

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The Secretary of Agriculture, Dan Glickman, declared an extraordinary emergency. There's only been four of these declared--or five declared--and Dan Glickman has declared four of them. So you can see these are things that are happening more frequently than they have in the past.

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But having found that we had to work very closely with the state government. Again this was part of the reinvention of developing partnerships and making these equal partnerships not the federal government's the big brother and we know what's best for ya. But working with the state governments to insure that we can get our arms around these problems.

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Working with the state of California because they found

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some kernelvent there. The state of Texas and the state of New Mexico as well as Arizona. We were able to do a survey, put together a quarantine area and kind of made it a broad area and then brought it in and convinced our trade partner that we in fact knew where we had a problem. We had contained that problem, and we weren't going to let it get into the delivery system that would be the week it was delivered to them.

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As a result of this action working with the industry, working with the state, working with the other states around you can imagine the state of Kansas was just absolutely oh my goodness. If we get kernelvent in our state there goes our economy.

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So they were very, very concerned to make sure that we knew what we were doing. By doing a national survey we were able to convince our trade partners that we had this problem contained and controlled. As a result the six billion dollars of trade that we had in wheat we were

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able to retain 98% of that.

00:21:23:27 Now that is--we wouldn't have been able to do that without the WTO because what we have said under the WTO was a concept was a concept of regionalization. In there we're saying you can have something at a country like the United States and only have it in one region.

00:21:42:26 If you can prove that's the only region that you've got it and you're open and transparent about it we'll still accept that commodity from other parts of that nation. Now, turnabout's fair play. If we say we can do that other countries say that they can do it as well.

00:21:59:16 Here it is very incumbent upon us to work internationally with those other countries to insure first of all that they have a regime there, scientists and technicians that are aware of what their problems are, that they can put together protocols that will assure us that we're not going to get a pest or disease that they might have and

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sent into the United States.

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This has been the result of the WTO. We have since that's gone into effect on the sanitary phytosanitary regime resolved a 180 of these which is resulted in 11.7 billion dollars, billion dollars, of export in the United States. It was based upon reorganizing ourselves, being ready to work in this new environment, the global economy environment, the new environment that said we were going to make regulations based upon sound science and we were willing to open up our books to anybody to come in and see how we're doing it.

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So doing a past risk analysis, assuring them that we knew what we were about and we could deliver to them what we said we would deliver on the sanitary phytosanitary certificate.

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Q: Your mission area has kind of a difficult task of not only the regulation side by keeping pests out of the

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country. But then if they get here having a crisis management in place to deal with it quickly. Then you have the producers and the consumers. So it's quite a mix to work with, isn't it?

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A: Yes it is. Sometimes these become more infamous than we really would like them to be. A couple of cases. The same time we were doing the kernelvent problem was when the United Kingdom found out that they had the bovine spongiform encephalofy, BSE or mad cow disease as they call it.

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It almost wiped out the industry. We pulled together within three days 150 people from the industry to talk about BSE. We had excluded that from the United States. We would not accept beef from countries that we knew had BSE. That proved to be very, very insightful because we had never had a case of BSE here in the United States and we wanted to keep it that way.

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00:24:33:13 But we also wanted to look at our contingency plans because what I had found out between kernelvent and the BSE was many of our plans were two or three decades old. They hadn't been updated. In this global economy with freer trade and trade increases every year.

00:24:55:14 Every five years we double the amount of trade. Every year more and more people come and visit us. Millions of people come across our borders. Each one of them has the potential to bring a pest and disease with them. It is important that we develop a systems approach so that we can look at what's coming out of other countries, do a risk assessment, establish protocols to keep things out, have our exclusionary practices at the border.

00:25:28:25 We've got out detector dogs that help sniff out these things. Then have a monitoring and surveillance activities within the United States so that when we find something we can immediately react and eradicate that disease or pest so that we can maintain our trade and

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maintain the production of that particular commodity.

00:25:50:17 Well, here again, under the reinvention principle, what we did was ask the National Plant Protection Board to come in and critique our system to tell us where they found there were weaknesses. What did they think our strengths were. For us to redeploy and re-authorize and revamp our system that would be the best to offset this.

00:26:18:28 Now again some of these things that were coming in didn't necessarily affect the agriculture sector what we call invasive species that came in and have a tremendous impact on our environment. Here again we saw the President and the Vice President under the reinvention principle in which they said they wanted agencies to talk to each other and work together.

00:26:45:04 There's an executive order out that said we are going to address invasive species issues. They asked eight departments, twenty-two different agencies to come

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together, chaired by the Secretary of Commerce, Secretary of Interior and most importantly the Secretary of Agriculture, to address these problems, put together an advisory board to say are we looking at this?

00:27:13:01 Keep in mind we have already lost about a hundred million acres here in the United States to invasive species. What's worse is we're losing about three million acres a year new invasive species. So what the President and Vice President has done is saying alright this isn't a single entity. So it's not Interior's job. It's not the USDA's job.

00:27:36:06 It's all of our jobs in the government to pull together, to pool our resources, to go after this and get it the best we can as early as possible to eradicate what we can going forward. Now, kind of the poster bug for all of this has been the Asian longhorn beetle. This was something that had with the increase of our trade from China we were looking at all of the agricultural

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commodities that came in to make sure that nothing was there.

00:28:09:11 But low and behold what we found was many of the heavy equipment and machinery things that were being sent were sent with packing materials, solid wood packing material, that in fact had a larvae inside that wood. What would be sent here to the United States, it would be unpacked.

00:28:30:25 This would be scrap lumber. It might be thrown out in the yard or something like that of the place that unloaded it. That larvae would come out and out would come this new pest for us here in the United States. It was the Asian longhorn beetle.

00:28:47:08 We have no natural enemy here for this. This is the very insidious pest because what it does it likes the softer hardwood trees. Absolutely loves poplars, but it really goes after the maples. We love the maples here in the

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United States.

00:29:07:21      What we found was that there was an infestation. It was first found in New York. This beetle would come out, lay the eggs on the tree. The larvae would bore in to the middle of the tree. Spend about a year in there. The tree would end up looking like Swiss cheese. It would eventually kill this tree because it went right to the heartwood.

00:29:37:11      The only way we could get rid of this because there was no natural enemy here in the United States was to cut the tree down, chip it up and incinerate it. Well, this is something this is very dear to people. A lot of people said my grandfather planted that tree. The aesthetic value, the forestry value, the tourism value.

00:30:02:10      For this time of year when all the leaves turn people will flock all over the nation to see the foliage. This was a tremendous concern to us. So we began immediately

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working with the city and state government in New York and various agencies to cut down these trees.

00:30:25:06 We wrote emergency regulations on solid wood packing material from China. I think I took two trips over. My deputy took another trip over to explain to the Chinese what we were doing because they thought--they were very leery of this. They said well you're trying to cut off trade from us.

00:30:44:27 No. We want you trade, but we don't want your pest. We put together for them a regulation of how they needed to treat that material, that solid wood packing material, so that pest would not come in. Now the finding, the second finding we had was in Chicago. This again I think is a very good story under technology.

00:31:06:00 We've been using internet and our websites more often. We put together a wanted poster of what this Asian longhorn beetle would look like. A young man was on his

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way to work one morning in Chicago and found this strange looking insect in the bed of his pickup truck. He asked people and nobody knew what it was.

00:31:26:09 So he got on the internet site, found the AFIS website, identified this and brought it to our attention that we had this infestation in Chicago. So you never can tell who is going to be the men in black that keeps these alien invasive species out. It could be the everyday citizen that helps us.

00:31:47:24 We were very, very successful in convincing the Chinese that this was legitimate and that we had great concerns. Of course all the news media and people seeing their trees cut down helped impact that with them. They began to implement a protocol of heat treating, of fumigating, of not using solid wood packing material of this manner.

00:32:16:25 They have had a 98% compliance rate. So these things actually do work. But again it takes quick action. We

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had to readjust to be able to do this. We still have the problem. We are now finding some insecticides that we can use that will have an affect on this Asian longhorn beetle.

00:32:41:23 But again bringing together all of the departments and agencies to bear on this rather than a single agency going after it we now have the power of the government to do it.

00:32:52:26 Q: Another area that you've spent a lot of time on in your mission area is agricultural concentration. I'm sure that's been somewhat frustrating. You've seen some of the problems that the farmers are talking about. How have you approached that big time?

00:33:09:27 A: When Dan Glickman became the Secretary of Agriculture he took that opportunity to go around the nation. He had six regional meetings. Then he had a final meeting to bring all the conclusion together in Ames, Iowa. The

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President and the Vice President were there with him to present all this is what I have found and talking to the consumers, to farmers, to producers, the processors what the problems are.

00:33:41:28 I went with the Secretary. I was very, very pleased to be able to do that. But what we found in every one of those no matter what part of the country we were in--the south, the north, the east, west--people were concerned about concentration. They saw it in a number of forms.

00:34:02:23 Concentration in transportation, losing the class-I railroads that they relied on to move the grain, in the livestock industry. We had four slaughter companies slaughtered 81% of all steers and heifers. There was a great concern about the ability to be able to have a level playing field there in the marketplace.

00:34:31:10 The secretary said we simply have got to do something about this. He said let's look at Packers and

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Stockyards. Packers and Stockyards was the result of a 1921 law. They hadn't changed much since they started. So we took a look at a reorganization of this.

00:34:51:07 Secretary asked the Office of Inspector General to come in and do an audit on this to help us identify where our strengths and weaknesses were. We came out of that with a proposal to do a reorganization. Again to change how they operate. What we found was that the way people market may have changed but the agency hadn't.

00:35:18:15 We found that we didn't have the people with the legal background in the agency we needed. We found that we didn't have the economists and statisticians that we needed to make cases today to be able to look at what's going on with concentration and yes there may be a monopoly there but was there an unfair trade practice as a result of that?

00:35:38:07 We're they taking unfair advantage of the producer or

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consumer as a result of that. We took a look at our laws that we have in there. We looked at what we do here at the Department of Agriculture and what the other entities do like the Federal Trade Commission and the Department of Justice anti-trust division.

00:36:00:00 We went out, had the meetings out in the countryside. Heard a lot from people. Ended up doing a reorganization of packers in stockyards. Again, getting them out of Washington, D.C., putting them out in the field, having them specialize in geographic areas they were in.

00:36:19:26 So where we had a poultry concerns we had people with a poultry background. Where we had a pork concern we had people with a pork background.

00:36:29:04 We had lamb or beef concerns we had people with lamb or beef concerns out there and put together this team approach working very closely with the Office of General Counsel here at the Department of Agriculture but taking

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it a step beyond, actually sending memorandums of agreement with the Federal Trade Commission, a memorandum of agreement with the Department of Justice Anti-trust division so that if we went out there and uncovered something that was of concern we could share it with them, getting the right people, the right place at the right time.

00:37:01:08 Well we found that we even had to go farther with this because a lot of state governments were being involved and very, very concerned. We had a series of three meetings across the nation with the attorney generals from the states and the state directors of agriculture.

00:37:15:11 So they could come in meeting with us to talk about what efforts they had in this area. What did they see the problems, again to utilize the resources we had to be as efficient and as effective as we could. The agency put together rapid response teams.

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00:37:32:19 The idea was if something was gonna come up we wanted to have a cop out there on the beat to insure that nothing did happen. We increased the numbers of investigations that we have done. I think this has been one of the areas where we have really poised ourselves to do a much better job by restructuring realizing what we've done.

00:37:58:27 Now we've also gone to Congress to talk about what legislative authorities we have or we don't have and how we would have to share those with other agencies and what do we need to give us additional assistance. Part in parcel of this is requesting the financials to be able to do this.

00:38:17:09 The President's budget. Every year since I've been here as the Under Secretary we had to ask for additional funding for packers and stockyards. Finally we have gotten everything we've asked for this final year because Congress now says this is very, very important and you've got to do this job.

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00:38:34:29 ( But this again is seeing how when we came into this administration we wanted to reorganized, set that mission in god and then be prepared as events happen that we could be proactive rather than just reactive on it.

00:38:55:16 Q: If you could highlight some of the achievements that you've been a part of during your time at USDA what would some of those be?

00:39:02:00 A: I think there are many of them that I'm very proud of. I'm proud of what I have done with the Hispanic Advisory Committee and the Secretary's Advisory Committee with Employees with Disability to insure that we optimize every person that we have here.

00:39:21:02 Giving them an opportunity to put together their own personal development plans that will give them a career ladder and they can see hope for what they do. Every person counts the President said and that is absolutely

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true at the Department of Agriculture.

00:39:42:06 So I'm very proud of that. I'm proud of what we've done in the reorganization. But some of the monumental things that has stuck out and Ag Marketing Service. Congress for years has been trying to redo the milk marketing order arena. They've just not had much success. They couldn't agree on doing it.

00:40:05:06 So under the farm bill they kind of dumped it on our laps and they said you will restructure the milk marketing order. You put together the plan, USDA and go out and do informal rule making and see if you can't come up with something. We took that to heart. We went out and had many public meetings under the informal rule making and put together a plan to reorganize the milk marketing order.

00:40:33:24 Now it caused some concerns. People said oh you're not doing this right. You're not doing that right. In fact

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Congress stepped in, finally stepped up to the plate and said all right. We don't like your options with one and two. We want you to make sure you take this one option that you have to go forward with.

00:40:49:21

But it was the initiative. This has been around for years and years. As a result of that we have a more equitable milk marketing program in the United States today. That same agency has been working on how do we assist farmers in marketing. There's a couple of streams that have been developed from the mainline streams that we've had.

00:41:15:13

One is in contracting. More and more producers contract because frankly their creditors are telling them we've got to show you you're income's going to get here. Another area that has been developing, a second stream, has been direct marketing.

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What we've done in that agency is put together some

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outlines of how to go about contracting. How to make sure that you get a fair shake in this contract. We--one of the problems that we think is out there is that there's not enough information available.

00:41:48:20 So we have gone to Congress and asked them to put together a mandatory price reporting bill. They have done that. We're in the final stages of getting those regulations out so that producers at last will have the same amount of information that the processors or the buyers will have.

00:42:08:22 So they'll know whether or not they're getting a fair deal or not. They'll be able to determine what's going on. Putting together a contract library for Schwein so that they understand when different tools are out there and are they for their production. Do they have the best tool that they're using in contracting?

00:42:27:07 On direct marketing the advent of the internet we're

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seeing all kinds of innovative things going on there. But something as old as farmers market really has taken off here. What we have done is put together a list of all of the farmers market that we have in the nation, and we've asked the state directors of agriculture to work on that.

00:42:51:09

We've seen a doubling of these in the last eight years, a farmers' market. This is tremendous because people like to get out there. They like to interact with the person who produces. They can look eye-to-eye with that individual, and they just feel better about it. I think the producers feel better about it and they get a good price for it to be able to do that.

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Another area in Ag Marketing Service that has really been a major thrust has been putting together organic standards. Organic standards have been one of the fastest growing segments of agriculture. Not that it's safer or anything else.

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00:43:32:20 People just feel that it's good for the environment. They want to be part of that. So we are seeing more and more certifications of organics and what--there was a law passed in 1990 saying we will put together a uniform organic standard because we had almost fifty different certifiers in the United States and we wanted to be able to have one single regulation that we could tell everybody in the United States and internationally when something comes out and it's certified organic you know exactly what you're going to get.

00:44:09:22 This is very contentious. You can imagine with 50 different certifiers everybody had a different idea of what was organic and what wasn't. Again, part of what we do in the administration is vet that around to other agencies and other departments so they can get a look at it.

00:44:24:26 Our standards came out and we sent them over to the

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Office of Management and Budget. They sent it back and said well we're concerned because you're saying you can't use sludge and you're saying you can't use GMOs and you're saying you can't use irradiated product if you call it organic.

00:44:43:16 I said perhaps you ought to ask the folks if they think that's all right. Well we did that. Again, under reinvention to use technology years later when we do a regulation it goes out in the federal register. There are only 35,000 subscribers to the Federal Register I'm told.

00:45:03:24 We didn't think that gave us enough input. So for the first time ever for the Department of Agriculture we put the entire regulation on the internet and opened a chat room so people could immediately give us our comments on that. Now this was about five hundred printed pages where you would get it.

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00:45:24:08 We put that up. We got our first comment back in five minutes, and it was from France. So you can see that people were concerned about this. I didn't know how concerned until we began to get all the feedback. We had almost 280,000 comments. This has been a record for us in the department, comments from people on this.

00:45:52:07 Those three things. I talked about--sludge, irradiation and GMOs--became known as the three abominations. They certainly told us they didn't think that should be part of organic. They also said some things about me that I wouldn't repeat. But there was a great deal of concern.

00:46:13:23 But this really I think worked and worked very, very well. You had the consumers. You had the people involved with the industry that had an opportunity for the first time to look almost immediately at this process and get their feedback.

00:46:30:15 Well as a result of that the Secretary said let's

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(unint.) items that are not gonna be in the organic standard. Go back to the drawing board. Rewrite it based upon the comments that we have and so we will have that before the end of this administration, an organic standard that will be our national standard.

00:46:46:27

The good thing about is it will have had the input of everyone that wanted to have input into it. The other things that really stick out in my mind we talked about grain inspection and packers and stockyards. But in GPSA--AFIS is the whole GMO--genetically modified organisms. All three of these agencies in marketing and regulatory programs have something to do in that arena.

00:47:21:21

AFIS is the agency at USDA that does the regulation of the GMO. There are two other agencies that regulate--the Food and Drug Administration and the Environmental Protection Agency. EPA regulates on anything that may have an insecticide in it and FDA on whether or not it's palatable for human beings at the food safety aspect of

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it.

00:47:47:29 What we do in USDA AFIS is that we supervise the field testing of these GMOs. So a company or a person that wants to do something different, genetically modifying, they will come to us and petition for us. They will-- here's what they want to do. Here's how we're going to doing it.

00:48:13:06 They will ask to do a field testing of this. We have had over 6,000 field tests in over 27,000 different areas looking at these field testing of the GMOs so that we can ascertain what the impact of the environment is. Does it do what they say they're going to do. We take all of that information again.

00:48:40:03 Now some of it is proprietary so we don't put that, but we put it on the internet and we say here is what this company is proposing to do. Here is the results that they're giving us for the field test. Let's have input,

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and we do an environmental impact statement on that to take a look at that, what the impact might be.

00:49:00:25 Then we go back to the company and after we've had opportunities for everybody to comment on it we deregulate. So we think there isn't any major impact in there. This has--AFIS has been doing this on the grain side. We will be doing more I think as Marketing Service looking at the tracking and certifying of some of the fruits and vegetables that may come up as GMOs.

00:49:39:04 Under the grain inspection entity what we are doing now is looking at these various varieties because there've been over 50 different varieties now approved of GMOs and looking at how do we track these. What had happened here is that on the GMOs in the United States people tend to trust their government.

00:50:07:25 They trust that we're doing the right thing. Now that isn't true in some other countries. In the European

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community unfortunately there is a mistrust of the regulators there. Mad Cow disease I think is a good case in point.

00:50:21:16 So there has been a great deal of reluctance to accept what the scientists say in some of the other countries. This has been one of our major concerns of how do we go about doing all regulations of the GMOs. Do other countries have a similar process of regulating the GMOs and will they accept our regulations?

00:50:47:09 This again gets back into the World Trade Organization. A great deal of concern on developing countries because they simply don't have the scientists and technicians to be able to duplicate the regulatory systems that we have here in the United States. So it's really incumbent upon us to insure that we have technology transfer and capacity building in these third world countries.

00:51:10:16 I think that came out very clear at the World Trade

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meeting in Seattle. The third world countries said well we want to be an equal partner but we need help becoming equal partners. What we're doing now in the grain division is trying to insure that people who say that they can certify whether or not there is a GMO event or in fact using the same type of equipment and that that government is responsive.

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So we have set up a laboratory, a GMO laboratory, that will calibrate, look at who people use this various equipment. it will license these. Most folks are certified that those people that are doing certifications are doing it the same way and that the results are consistent throughout. This is going to be very, very important.

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But it really does bring together additional concern that we're going to have in the future of identity preserved for this. We get into the whole problem of transportation. We have about eighty billion dollars

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invested in our grain handling and transportation system here in the United States, and we can't redevelop eighty billion dollars worth because it's a GMO.

00:52:30:11 What we're seeing is that many of the--the future of GMO products may be nutraceutical or pharmaceutical events that specific people or customers are looking for. They want to insure that what they order they get. They end up contracting with the individual. So again back to this contracting becoming very, very important.

00:52:52:22 We also have to determine a way to do trace back in there and certification under both Ag Marketing Service, grain inspection packers and stockyards in AFIS that you're getting what you paid for and that we're not contaminating the rest of the system. These are the big challenges for us in the future and one that we're working on in this administration.

00:53:14:23 Q: As we conclude our discussion today, every job has

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memories that are special and maybe not so special. Do you have some you'd like to share?

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A: I guess there were some very memorable occasions we had in the traveling with the Secretary, meetings in the White House on issues, being reactive to emergency situations when we had eight dollar a hundred weight hog situation. One of the things that I treasure most in a picture in my office of the Secretary, the Chief of Staff John Padesta (ph.) and President Bill Clinton sitting around talking about this, of how can we assist pork producers, to make them whole, to bring profitability back in that segment of agriculture.

00:54:04:02

That is when you're very, very proud that you realize that the highest level of government is looking at this issue. Some of the things that you'd just as soon not remember was when we were in Yellowstone Park and someone threw some bison entrails on the Secretary. He reminds me that I always get him into those types of situations.

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00:54:31:01 Those are some of the good times, some of the bad times that you have in the administration. I must say that having spent two stints at the Department of Agriculture in both the Carter Administration and the Clinton Administration I have a very, very profound respect for the men and women that work in agriculture, the dedication that they have to their jobs, the amount of time and effort they put in.

00:55:02:06 I really don't know many people that work forty hours a week. Most of them work many, many long hours, extremely dedicated, willing to pick up and move to be able to address an emergency when it happens. I think the American public have really got their monies' worth out of their government and especially this administration.

00:55:26:23 Q: Thank you Michael Dunn, the Under Secretary for Marketing and Regulatory Programs at the U.S. Department of Agriculture. I'm Larry Quinn with the Office of

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Communications of the USDA in Washington.

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