

Leaving the Campsite Better

The Odyssey of Rick Richard

BY JOSHUA DUPLECHAIN

WHEN OLIVER “RICK” RICHARD was a kid in high school he received the *Madison Avenue Journal*—which most high school students probably subscribe to—and set as his goal a job as an account executive on Madison Avenue making \$100,000 a year.

It might be disappointing then to learn that the 1977 LSU Law Center graduate never realized that dream. Instead, he settled for becoming the chief executive officer and president of a \$7 billion energy company and being friends with Warren Buffett. *Not a bad Plan B.*



Rick Richard with his wife, Donna (far right), visit with Mary Joseph ('70) during the occasion of the 2007 Chancellor's Council dinner.

At right: Richard, chairman of CleanFuel USA, is a proponent of alternative fuels, including cellulosic ethanol which can be produced from a variety of agricultural plant wastes such as sugarcane and corn stover, or even switchgrass and sawdust. In addition, his company advances propane as an alternative energy source.

PHOTO BY MARIE CONSTANTIN





1977 staff of the student newspaper, *The Civilian*.
Left to right: Bill Lowery,
Rick Richard, Ginger Roberts,
and Clay Latimer

Oliver "Rick" Richard presents
Chancellor Weiss with his
second gift in support of the
LSU Law Clinical Legal
Education Program.



But it isn't his success that attracts people to him, as much as his general worldview. Richard is the guy who, as the old cliché goes, "never forgot where he came from." You hear it in his affinity for LSU; his hometown of Lake Charles, Louisiana—where he lives with his wife, Donna—and the people who taught and worked with him as he made his way up through the business world.

"I see myself as a Will Rogers-type," Richard said. "I've never met a man I didn't like, and I always believe people are good until I have a reason not to. I learned from my time in the courtroom and from the LSU Manship School of Mass Communication that there needed to be a civility present. I think there's a demise in that today."

Perhaps it's that philosophy that has fueled several of Richard's recent endeavors. In the spring of 2008, he and Donna pledged \$500,000 to the Forever LSU Campaign from their foundation, the Rick and Donna Guzman Richard Charitable Foundation. Half the amount helped fund a chair in Diversity, Media & Public Affairs within the Manship School. The other half went toward helping support the Law Center's Clinical Legal Education Program.

"All minorities are underrepresented in the media and that was the impetus for the gift to the Manship School," Richard said. "I felt like there was a lack of funding for minorities in journalism schools, and I felt like with the *Forever LSU* Campaign, there was an opportunity to give.

"With Chancellor Jack Weiss coming on board at the Law Center, I wanted to help him get the clinical education program jump-started. The

program will help the underrepresented get legal advice and give students real-world experience."

The Richards are also involved in helping the city of Lake Charles flourish, working to preserve parts of the city and bringing in new businesses, such as a \$1.8 billion petroleum company in the Port of Lake Charles.

"Always leave your campsite better than you found it," said Richard. "I've always thought that when I leave a company, if I've left it in good shape from a human resources and financial standpoint, then I had accomplished my goal. (In regard to Lake Charles), I want to make my campsite better."

DAYS AT LSU

When Richard says that he enjoyed his time at the LSU Law Center, he genuinely means it. Granted, when he talks about how he enjoyed the challenge of the curriculum, one tends to think "this must be the kind of guy who subscribed to the *Madison Avenue Journal* when he was a kid."

But he really did make the most of his time at LSU, working as a photographer at the *Daily Reveille*, restarting *The Civilian*—the Law Center's student newspaper—and helping put together the first Assault and Flattery event, which featured a compelling performance of *The Devil and Daniel Webster* with Professor Saúl Litvinoff as the Devil and Jay Dardenne as Daniel Webster.

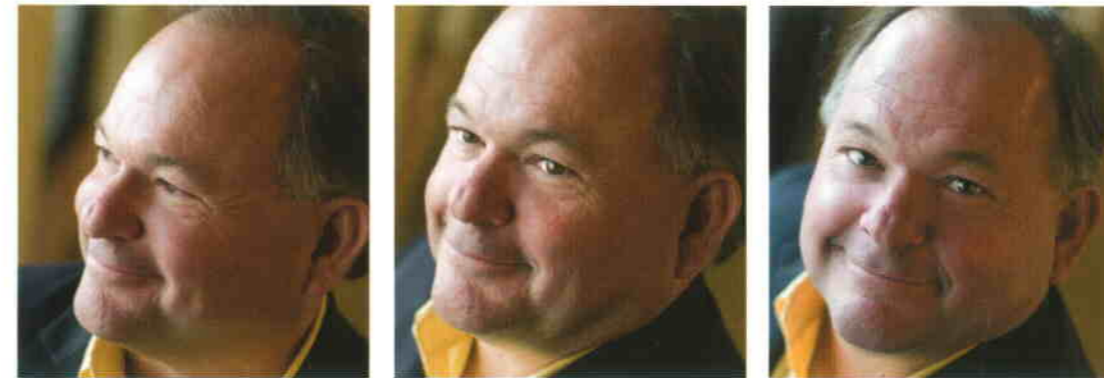
"With *The Civilian*, we started small. It was two pages of legal paper folded over," Richard said. "I was editor and publisher and we sold ads, which we used to pay for the paper ... so we had free editorial control of the paper. We eventually brought it up to the size of a tabloid, but it was only 16 pages.

"My belief is, wherever I go (in business), to take over the mode of communication. Then you can have fun outside the normal channels."

POTOMAC FEVER

After passing the bar in 1977, Richard was working with the firm of Sanders, Downing, Kean, and Cazedessus when he was recommended to former Sen. J. Bennett Johnston as a legislative assistant. He soon contracted a case of "Potomac Fever" and left the legal world to join Johnston in Washington, D.C.

The major thrust of his work there was "all things energy," learning everything from the mining of uranium to the capturing of solar energy. So in 1982, when the Federal Energy Regulatory



Commission needed a new commissioner, Richard was nominated by President Ronald Reagan to succeed Matthew Holden. The decision was either stay in Lafayette, Louisiana as a partner at Hayes, Durio & Richard or heed the President's call.

Needless to say, at the age of 29, Richard became the youngest commissioner in the history of FERC, earning him the moniker of "boy commissioner." It was made even more interesting in that he was now the decision maker implementing the laws he had helped Johnston pass years earlier.

THE \$7 BILLION MAN

After Richard's term with FERC expired and he had served in senior management positions at Tenagasco, Enron's Northern Natural Gas Co. ("when Enron was good," Richard is quick to point out) and New Jersey Resources Corp., he set his sights on the Columbia Gas Company—later Columbia Energy Group. By this time, he had become the first non-engineer to run a major pipeline. The fact that he was a journalist and a lawyer hadn't prevented him from serving in that role before, and it wasn't about to stop Columbia, which was in dire straits.

The company had suffered from bad management, customers who had sued for fraud and abuse and a Chapter 11 bankruptcy filing in the wake of natural gas deregulation.

After Richard arrived in 1995, the company set a record net income in 1997 of \$273.3 million. Richard would be named to *U.S. News and Business Week's* List of Most Underpaid C.E.O.'s for Value. Buffett was ranked No.1 and Richard was ranked No. 5.

"We gathered a team, put together a consulting firm, and spent six months scouring through the corporation," Richard said. "We started a program called Columbia Value Added, which meant that if we [management] didn't earn the cost of capital

back, we didn't get bonuses. We were also able to re-direct a number of executives who hadn't had the chance to perform before."

Richard also shook things up by naming Cathy Abbott as C.E.O. of the company's interstate pipeline subsidiaries, making her the first woman to head a major natural gas pipeline company.

"Cathy Abbott was from the John F. Kennedy School of Government at Harvard University and had all the background you need to run a pipeline," Richard said. "We needed a change in culture because it was a bankrupt culture. Her hiring set the tone that we intended to become a company of the future and not the past."

FUEL FOR THE FUTURE

Some time after leaving Columbia in 2000, Richard was approached by "an old Conoco hand" about propane and ethanol. Adhering to his friend Buffett's philosophy of investing in a company with a good idea and good people, Richard consulted with the company for a time before becoming chairman in 2005 of CleanFuel USA, Inc. — recognized as the leading global manufacturer of certified and approved alternative fuel dispensing equipment for both propane and Ethanol 85.

Currently, the company is trying to build an infrastructure for people to fill up with alternative fuels by working with major distribution companies to put dispensers at their stations. CleanFuel is also getting involved with a new fuel called cellulosic ethanol, or super ethanol, made from nearly all organic matter, including sugarcane, agricultural waste and corn stover, or even switchgrass and sawdust.

It's all part of Richard's worldview, leaving the campsite better than he found it.

Always leave your
campsite better than
you found it . . .

Rick Richard