

reason and not related to this transportation problem which has developed.

We think it is only fair and we have attempted to support a clear statutory declaration that this business done for the U.S. Government in the hauling field should be counted as nonmember business.

3. The nonmember interstate transportation in any fiscal year measured in terms of tonnage of a cooperative or federation of cooperatives required to give notice to the Commission could not exceed the total quantity of property transported interstate for itself and its members.

4. The Commission would be given specific authority to examine the pertinent motor transportation records of any cooperative or federation required to give notice to the Commission under the bill for purposes of determining whether the cooperative or federation is in compliance with the requirements of this exemption.

A further provision of the Senate passed version of S. 752 would impose a 15-percent maximum limit on the necessary and incidental interstate hauling of other than "exempt commodities" for nonmembers who are neither farmers, cooperative associations, nor federations of cooperative associations.

The council did not originally propose nor support this or any other maximum limitation. The council felt that an arbitrary maximum limitation was not necessary with the other new requirements and that it would unduly hamper the economical and efficient marketing of their members' products by many cooperatives which did not have common carrier service available at reasonable rates if available at all.

But after the Senate Surface Transportation Subcommittee proposed a 10-percent maximum limitation on all interstate hauling for compensation for nonmembers, excepting exempt commodities, the council joined with the U.S. Department of Agriculture and the general farm organizations in proposing as a substitute a maximum 15-percent limitation on interstate hauling for nonmembers who are neither farmers, cooperative associations, nor federations of cooperatives. This counterproposal was adopted by the Senate Commerce Committee and is in the bill as now referred to you from the Senate.

We know there is some opposition to this proposed limitation on the part of some cooperatives and perhaps by some operators who are seeking to utilize this exemption to make money for themselves rather than for farmers.

But with very few exceptions, the council's members have advised us that they can live under this maximum limitation and will do so in order to get this controversy settled by Congress so that they can proceed with more certainty in providing for the transportation needs of their farmer members.

WHY ACT NOW

If this session adjourns without final action by the Congress, the result will be more costly and unproductive litigation, further frustration and uncertainty in the administration of this exemption by the Commission, and encouragement to those unqualified operators who might seek to operate under this exemption to the detriment of the genuine farmer-owned and farmer-controlled cooperatives in the country.

We are convinced that no legislation can be devised which will satisfy all in the regulated transportation industry or in agriculture.