

in the interim. This is tantamount to taking our property without due process of law.

In view of these facts, we must oppose this legislation in its present form. S. 752 is extremely ambiguous: it is unclear whether the limits on nonmember traffic are to be 15 percent or 50 percent of total tonnages transported; at best, it is confusing.

Moreover, it does violence to the terms and philosophy of the Agricultural Marketing Act by carving out an area of possible co-op endeavor and limiting the co-op's activity in that area to 50-percent nonmember business, as opposed to the act's limitation of 50-percent ceiling on all nonmember business, in the aggregate. And these inroads are to be made at the behest of a strong, well-organized special interest group, the regulated carriers.

I would also point out that it seems inappropriate for the committee to take any decisive action on the matter until it has had a better opportunity to consider the full implications of the measure, the effect passage would have upon the bona fide cooperatives like milk producers, and whether or not passage would really serve to curtail illegal operations and promote the best interests of the regulated transportation industry.

I strongly question the wisdom of recommending passage unless there is greater opportunity for a more extensive study than exists in the present session of Congress.

I would like to conclude with some comments on possible amendments which the committee might wish to consider.

As I stated a moment ago, Milk Producers has no objection to regulation by the Commission; we have always attempted to cooperate with that agency to the greatest extent possible, have made all our books and records available to the Commission's representatives, and I seriously doubt that regulation would pose any great difficulties for us.

But in order to acquire authority to continue our present operations, we would be forced to stop them, at least temporarily, file our applications, and then wait until all the administrative hearings, appeals, and judicial action were completed. In the process, we would lose most of our customers and good will, and be unable to meet our commitments for equipment—in other words, lose all of the business we have managed to build over several years.

In imposing formal regulation or licensing upon any business of this type, Congress has almost uniformly permitted legitimate operators to continue their activities by merely proving their qualifications and operations, rather than the burden of establishing in extensive and often bitterly contested administrative cases the need for a new service.

I would therefore suggest that, if the committee deems passage advisable, it amend the bill to provide that existing cooperatives engaging in transportation activities be granted authority by the Commission encompassing those activities upon proof of the following:

(A) That they are, in fact, a bona fide "cooperative association" under the Agricultural Marketing Act, and recognized as such by the U.S. Department of Agriculture; and

(B) That they have been performing a transportation service at the effective date of the bill.