

desires, the "necessary and incidental" test seems closest to expressing the intent of Congress toward cooperative activities, while still providing a meaningful limitation to be applied by the Commission in assessing cooperative activities in backhaul operations.

Mr. FRIEDEL. The next witness is Mr. Harold Goolsbee, Jr., Manager of Big Sky Farmers & Ranchers Marketing Co-op.

STATEMENT OF HAROLD GOOLSBEE, JR., MANAGER, BIG SKY FARMERS & RANCHERS MARKETING CO-OP, GREAT FALLS, MONT.

Mr. GOOLSBEE. Mr. Chairman and other committee members, my name is Harold Goolsbee, Jr., and I am from Havre, Mont. I am the manager of Big Sky Farmers & Ranchers Marketing Co-op which is incorporated under the laws of the State of Montana.

You have my statement that I would like to have entered for the record.

Mr. FRIEDEL. We will place it in the record.

(Mr. Goolsbee's prepared statement follows:)

STATEMENT OF HAROLD GOOLSBEE, JR., MANAGER, BIG SKY FARMERS & RANCHERS MARKETING CO-OP., GREAT FALLS, MONT.

Mr. Chairman, my name is Harold Goolsbee, Jr., and I am from Havre, Montana. I am the manager of Big Sky Farmers and Ranchers Marketing Co-op which is incorporated under the laws of the State of Montana.

Our Co-operative is composed of farm members which have banded together to market the various farm commodities and to transport these commodities under Section 203(b) (5) of the Interstate Commerce Act.

I am here today to present our views of HR-6530 which is a companion to Senate Bill S-752. We feel that the passage of this bill in its present form will be detrimental to our members as well as the general public throughout the United States. We strongly oppose this bill in its present form as we feel that existing regulations are adequate to regulate the transportation of goods in an economical way from our members to the markets. The purpose of our co-operative for our members is to transport the goods of our members economically and, in turn, have some sound, feasible yet economical method to return our equipment back to our members so that the overall cost of transportation will not price our members out of competitive markets.

With the passage of this bill, HR-6530 and Senate Bill S-752 in the present form, it would limit our trucks to haul only 15% for non-member freight as a return haul. We would then have to dead head 85% of our trucks back to the point of origin. This is economically infeasible and would, therefore, cause the price of farm goods of our members to have an appreciable increase.

We have recently read that the regulated carriers, both truck and rail, have been granted an increase from 3% to 10% for the transportation of agricultural commodities; however, we are still using the same rates in our co-operative that have been used for the past several years due to the fact that we are able to haul non-member freight in our co-operative.

Our co-operative is also approved by the Department of Defense for the cartage and hauling of their goods from, and to, the various bases throughout the United States. With the new law in effect for a 10% sur-charge for taxes and the reported six billion dollar cut in the national spending, by not passing this bill we will still be in a position to assist the government in cutting the costs of transportation because the co-operative vehicles afford the government a substantial savings plus they are receiving through truck service that is faster than any service they used previously. If this bill is passed in its present form, we would not be able to offer these savings to the government.

In summary, we feel that the passage of this bill would work to a detriment to our members, farmers, and the general public by raising the cost of agricultural products in the markets and would cost the government untold thousands of dollars over the years to come. Such a savings to the government and public should not and cannot be overlooked.

Thank you very much.