



2012 Resolutions

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(R/--) Denotes year resolution is up for review.

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AG 1.01 Capper-Volstead Act

The Capper-Volstead Act grants agricultural producers the right to act jointly through farmer owned and controlled cooperatives for the purpose of processing, handling and marketing their products. The Capper-Volstead Act should be used to its fullest degree to assist in increasing the income of agricultural producers. We oppose all efforts to weaken the right of farmers to act together to form and join agricultural cooperatives. Cooperative Network will work vigorously with members and federal officials to oppose the recommendations of the Antitrust Modernization Commission which would change the statutory immunity from antitrust laws for agricultural cooperation granted by the Capper-Volstead Act. (R/16)

AG 1.02 Cooperative Services Program

Cooperative Network remains committed to maintaining its support for the USDA's Cooperative Services (CS) Program. The Cooperative Services group has long played a crucial role in assisting agricultural cooperatives of all types by providing resources and technical assistance, conducting basic cooperative research and providing educational materials.

The program has suffered serious staff loses and lack of focus in recent years. Cooperative Network calls on the U.S. Secretary of Agriculture to revitalize the program that is the only one of its kind in the Federal Government. (R/13)

AG 1.03 Agriculture Education in Public Schools

Cooperative Network supports continuation of Minnesota Ag in the Classroom, Wisconsin Ag in the Classroom, FFA, 4-H, Associations of Agricultural Educators in both states and the Wisconsin Agricultural Education and Workforce Development Council. Cooperative Network encourages inclusion of curriculum on cooperative businesses. Cooperative Network encourages state and school districts policies to award science credits, not just elective credits, for agricultural courses. (R/14)

AG 1.04 Crop Insurance/Revenue Assurance

Cooperative Network endorses Federal Crop Insurance/revenue assurance as important farm risk management safety nets for America's farmers, ranchers, growers, dairy and other livestock producers. Cooperative Network urges Congress and the administration to maintain, protect and grow the programs, providing adequate and necessary funding and supportive, service-oriented rules and regulations. (R/15)

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AG 1.05 Farmland Assessment

Cooperative Network supports policies for the assessment of agricultural lands to reflect their current use value. Any new farmland valuation method should reflect the income-producing capability of the land based on the soil survey. Publicly owned farmland, woodland, and wetlands should be taxed at the same rate as private lands and the revenue should revert to the local community. (R/16)

AG 1.06 International Trade

It is important to expand foreign markets for Midwest agricultural products, which will also help the nation's trade balance. Cooperative Network urges cooperatives to actively pursue international trade.

Cooperative Network urges maximum use allowable under the World Trade Organization (WTO) agreements of the Dairy Export Incentive Program (DEIP) on a milk equivalent basis.

Cooperative Network supports overseas food aid programs, both as markets for U.S. agricultural commodities and as a needed U.S. aid program.

Cooperative Network supports WTO policy designed to protect domestic producers from unfair trade practices and urges more effective enforcement and administration of existing WTO policy.

Cooperative Network supports federal legislation and trade policy that would require imported food products to meet production, processing and quality standards equal to those required for our domestic products. (R/13)

AG 1.07 Meatpacker Concentration

Livestock producers depend on a competitive meatpacking marketplace to ensure they receive a fair market price for their livestock. Recent mergers and acquisitions have called into question whether the resulting marketplace concentration will lessen competition and therefore, be detrimental to the prices received by livestock producers.

Cooperative Network supports the current price reporting system to ensure greater understanding of price discovery.

Cooperative Network supports a cooperative exemption in any legislation to ban the ownership of livestock by packers. (R/14)

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AG 1.08 Integrity of Organic Agriculture

Organic agriculture is expanding rapidly in the United States as consumer interest continues to gain momentum and new organic production and marketing systems evolve. Congress passed the Organic Foods Production Act (OFPA) in 1990, as part of the 1990 Farm Bill. The OFPA required the U.S. Department of Agriculture to develop national standards for organically produced agricultural products to assure consumers that products marketed as certified organic meet consistent, uniform standards. OFPA also mandated the formation of the National Organic Standards Board to advise the Secretary of Agriculture in setting the standards for the National Organic Program.

Since the implementation of the organic certification standards, various proposals to loosen or reinterpret them have been made, jeopardizing the high standards for what qualifies as organic and threatening consumer confidence in the entire system.

Cooperative Network supports strong federal standards for organic production and opposes any revisions or interpretations which would weaken them or result in a lessening of consumer confidence in the “USDA ORGANIC” label. We call on the U.S. Secretary of Agriculture to resist any attempts to undermine the spirit and integrity of true organic production. Further, Cooperative Network believes the USDA Secretary should seek to restore trust in the National Organic Program by appointing managers with strong professional backgrounds in organic agriculture, and heed the recommendations of the National Organic Standards Board as representatives of the organic community. In addition, USDA should ensure that organic certifying agents are properly qualified and that they act to protect the integrity of organic production. (R/15)

AG 1.09 State Agricultural Statistics and USDA Reports

Production and pricing uncertainty creates problems for producers when making production, marketing and financial investment decisions. Because of the high investment requirements of agriculture, success depends upon sound management and marketing decisions as well as timely information.

Individual county information on crop production and livestock numbers have long been available. This service has been a valuable tool and is widely used by local and regional cooperatives, agricultural business firms, farm organizations, farmers, University Extension, research and teaching, and other agricultural related groups.

The numbers are used to attract new markets and processing firms and to assist cooperative management in planning services for farmers. Cooperative Network calls upon the federal and state governments to maintain their commitment to provide the funding and other resources necessary to collect and make available county agricultural statistics.

Cooperative Network urges the establishment and use of a meaningful USDA definition of a commercial farm. This would focus attention on the net and labor income of commercial farmers. Such data are necessary to help our entire society better understand what currently is happening to American farmers and the need for any agricultural policy changes. (R/16)

Agriculture Resolutions

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2 **AG 1.10 Technology and Agriculture**

3 Cooperative Network supports continuing and expanding research into new alternative
4 agricultural methods and products including biotechnology that holds promise for improving
5 agricultural efficiency and profitability. Reasonable protection for public and environmental
6 safety of a particular technology is provided by regulatory agencies such as the Food and Drug
7 Administration, Environmental Protection Agency and others. Farmers themselves are in the
8 best position to judge the efficiency and profitability of new technologies that are approved by
9 regulatory agencies. Once approved, farmers as individuals should have the freedom to accept
10 or reject the adoption of any particular technology. (R/13)

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14 **AG 1.11 Agricultural Stewardship**

15 Cooperative Network urges that pollution controls, including odor controls, be of a practicable
16 and workable nature, protecting the gains made in agricultural production and the living
17 standards of both rural and urban people. More financial consideration should be provided to
18 processing plants and other wet industries when excessive costs are involved in upgrading
19 pollution control equipment.

20
21 Cooperative Network believes that the dust regulation imposed by government agencies needs
22 to provide a more fair and equitable solution to the problem of grain dust. The waste pesticide
23 collection and pesticide container collection programs developed are excellent examples of
24 cooperation between government and industry. We urge the members to publicize and utilize
25 these programs.

26
27 We support increased state and industry funding for research on solutions to environmental
28 concerns including odor and dust. We urge use of flexible performance-based approaches to
29 environmental compliance that are of a practicable and workable nature.

30
31 Cooperative Network urges Congress to take actions necessary to protect the interests of
32 cooperatives and their members by ensuring that Clean Air Act regulations and programs are
33 cost-effective, sensible and address scientifically demonstrable and significant environmental
34 principles. (R/14)

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37 **AG 1.12 Water Quality Cost Sharing**

38 Cooperative Network supports maintaining and improving the quality of the state's waters.
39 When a state is implementing a state water quality program, Cooperative Network supports the
40 concept of a water quality cost-sharing program or programs like the Environmental Quality
41 Incentives Program (EQIP), administered by the federal Natural Resources Conservation
42 Service (NRCS), which provides resources to farmers working to reduce erosion and animal
43 waste runoff. We urge NRCS to maintain a financial commitment to soil conservation
44 compliance, and to develop and use standards that are compatible with and coordinated with
45 agricultural performance standards. (R/15)

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AG 1.13 Animal Identification Systems

The development of a national livestock identification system is necessary. Other countries have recently adopted or modified national animal identification systems to respond to consumer expectations and to better track animal movement. In the United States, continual surveillance for eradicated diseases is important to ensure complete eradication and to demonstrate to trading partners that our livestock population is free of disease. Cooperative Network strongly urges the development of a uniform national program using the best available technology. Cooperative Network will work with its members, state and federal agencies and others as implementing rules take effect and the premise registration system is implemented, as well as with any animal identification legislation and rules that may be adopted in the future. Cooperative Network urges USDA to restore funding to a national livestock identification program. (R/16)

AG 1.14 Animal Well Being

Cooperative Network supports a vibrant and viable livestock sector and believes in maintaining consumer confidence in the country's food supply. Quality animal care is at the heart of livestock production and Cooperative Network supports ethical treatment by farmers, handlers and processors. We support educational and evaluation programs such as the National Milk Producers Federation industry-wide F.A.R.M. (Farmers Assuring Responsible Management) programs designed to inform the general public, producers, marketers and processors about sound and ethical production practices.

Further, Cooperative Network supports initiatives for livestock and poultry care standards that are based on sound veterinary science, sound information and economic feasibility, and strongly opposes laws and regulations that would undermine the livestock industry. Additionally, Cooperative Network supports giving the Minnesota and Wisconsin Departments of Agriculture the power to set statewide standards for the care and treatment of production agriculture animals. (R/13)

AG 1.15 Shortage of Large Animal Veterinarians

Cooperative Network supports the development of state and federal incentives to encourage the training of large animal veterinarians and their deployment in rural areas. (R/14)

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AG 1.16 Biotechnology and Genetically Enhanced Products and Dairy Product Labeling

Cooperative Network believes that science offers great potential for improving agricultural production efficiency and improving the environment. It also offers the potential to enhance consumer value in food products through improved nutrition, flavor, pharmacological properties, and other food traits.

We urge the federal government and the Food & Drug Administration (FDA) to maintain rigid scientific standards for approval of new biotechnology products.

We oppose local and state restrictions on genetically enhanced products that have been approved at the federal level. We oppose trade barriers that restrict market access to food and agricultural commodities derived from genetically enhanced products.

We oppose mandatory labeling of federally approved products that contain genetically enhanced traits.

Cooperative Network believes the Federal Trade Commission should vigorously enforce rules and regulations on dairy labeling, particularly on non-dairy products which are advertised as if they are real dairy products. (R/15)

AG 1.17 Dairy Industry Competitiveness

Cooperative Network serves as a common meeting ground for dairy co-ops and other industry stakeholders to develop and implement joint strategies for addressing the changing dairy market environment and implementing programs targeted toward improved dairy farm and dairy cooperative profitability. Cooperative Network supports efforts to identify incentives that can be used by dairy producers and dairy cooperatives to modernize and expand their facilities.

Cooperative Network supports appropriations by the legislature from the general fund to support the development and enhancement of new and existing educational programs for dairy farmers. (R/16)

AG 1.18 Inspection Fees for Dairy

Cooperative Network supports legislation that reduces costs for dairy farmers. Fees are paid for inspection of dairy farms and plants. Inspections of dairy farms and plants protect the consuming public, assure a safe supply of quality dairy products and protect public health, and should be financed by public tax dollars. (R/13)

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AG 1.19 Food Safety

It is in the best interest of the public to have a safe and high quality food supply. We commend the work that has been done to assure Americans have the safest possible food supply. Cooperative Network is committed to the use of sound science as the basis for standards for food safety. We encourage agricultural groups to communicate with the general public to place risk in proper context and to avoid overreaction and legislation that would reduce quality and quantity of food products. In response to the growing trend of blending imported ingredients, Cooperative Network supports increasing the emphasis directed at imported food products by federal agencies. As recalls of imported contaminated and toxic consumer products have increased, it has become evident greater regulatory effort must be made to ensure the food safety of imports. (R/14)

AG 1.20 Nutrition Programs

Cooperative Network strongly maintains its commitment to the nutrition education programs at both the state and federal level and will work to strengthen and expand the programs through adequate funding and maintenance of quality standards. We favor continuation of the complementary relationship both within the agricultural community and between agriculture, the nutrition community, and USDA's Food and Nutrition Service. The Commodity Donation Program must be maintained and strengthened as the primary commodity source for the feeding programs, for the needy, and for disaster assistance. USDA is urged to assure that free commodity donations to individuals are effectively managed by the states so the needy are served and commercial markets are not disrupted. Member cooperatives are urged to take assertive action to ensure continuation of the commodity donation program.

The Special Milk Program continues as an important, low cost, easily administered program to provide a superior dietary supplement to the American school child, and we will work to increase its scope. Cooperative Network opposes any efforts to eliminate flavored milk in school nutrition programs. Cooperative Network also commits itself to the improvement of the diet of older Americans.

Cooperative Network supports federal nutrition assistance programs designed to supplement the diets of low-income families and children. We urge expansion and extension of these programs, and further urge administration of these programs in a manner that will assure maximum nutritional value for the recipients. Accordingly, Cooperative Network opposes efforts by the USDA Food and Nutrition Service to reduce the fluid milk allocation for the Women's Infant's and Children's (WIC) Program. (R/15)

AG 1.21 Ice Cream and Milk Standards

Allowing the protein in ice cream to come from any product other than nonfat milk solids or whey solids must be prohibited. (R/16)

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AG 1.22 Imported Milk Protein Concentrate

Cooperative Network supports passage of federal legislation which would impose tariff-rate quotas (TRQs) for importation of milk protein concentrate (MPC). We commend members of the Upper Midwest Congressional delegation for leadership through the introduction of this bill. These products are heavily subsidized in world markets and imports of these products into the United States are not limited by any existing trade agreement. Their use in domestic cheese results in displacing U.S. milk and weakens the market for U.S. milk producers. Further, we oppose changing the U.S. standard of identity for natural cheese that would permit the use of casein or dry ultra-filtered milk protein. (R/13)

AG 1.23 Dairy Development

Cooperative Network will continue to work with members, legislators, government agencies and other organizations in order to create a more vibrant climate for animal agriculture. In order to keep the industry growing, processing capacity has to keep pace with production increases. Cooperative Network supports efforts to encourage cooperatives to expand and modernize processing facilities. (R/14)

AG 1.24 Dairy Self Help Programs

Cooperative Network recognizes the success of Cooperatives Working Together (CWT) and the need to continue programs like CWT that improve dairy producers' farm income levels. Cooperative Network supports enabling dairy producers to work together to enhance their ability to promote voluntary and self-help programs. (R/15)

AG 1.25 Labeling and Content of Cheese for Pizzas

Cooperative Network strongly supports prominent labeling identifying the use of cheese substitutes or imitation cheese when used in the making of pizza. Cooperative Network further supports requirements that all pizzas contain a "cheese component" of at least 12 percent of their total weight, and that cheese be natural cheese. (R/16)

AG 1.26 Federal Dairy Policy

The members of Cooperative Network support the dairy provisions of the Food, Conservation and Energy Act of 2008, which provides a reasonable, balanced framework for supporting the dairy industry nationally without favoring milk producers in one region over another. Cooperative Network urges the Congress to fully fund the bill through the appropriations process. As federal dairy policy reacts to low prices Upper Midwest Dairy Cooperatives need to be at the table to make sure federal dairy policy does not favor one region over another.

(Continued)

Agriculture Resolutions

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3 Cooperative Network recognizes that the U.S. dairy industry is a national industry. As such it is
4 essential that we have a comprehensive, national dairy policy that addresses the needs of
5 producers in all regions and does not discriminate against producers on the basis of location or
6 size of dairy operations.

7
8 We commend the National Milk Producers Federation for its efforts to achieve unity on a
9 national dairy program. The Foundation for the Future proposal represents a broad-based,
10 inclusive process to thoroughly evaluate dairy policy concepts. This concept has the support of
11 a strong majority of NMPF members.

12
13 Cooperative Network will support the efforts of its members to shape the details of the
14 Foundation for the Future proposal during the on-going debate. Cooperative Network's goal is
15 to assure that the provisions of the Foundation for the Future treats all dairy producers
16 equitably.

17
18 Cooperative Network urges congress to fully fund the Food Conservation and Energy Act of
19 2008 through the appropriations process. (R/13)
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23 **AG 1.27 Marketing Order Program Regulation**

24 Cooperative Network supports federal policies and programs to protect and enhance the ability
25 of farmers to join together in cooperative efforts and urges the President and the Congress to
26 take necessary action to advance a more timely federal milk marketing order amendment
27 process.

28
29 We propose a requirement that a preliminary economic impact analysis be produced before any
30 marketing order is altered or eliminated by federal government action. Cooperative Network
31 also calls for the elimination of administrative guidelines which discourage farmer cooperatives
32 and their elected boards of directors from voting or acting on behalf of their farmer members as
33 provided under existing law. (R/14)
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37 **AG 1.28 Grain Standards**

38 Cooperative Network joins with grain producers around the nation and their organizations in
39 calling for more uniform application of U.S. grain standards. (R/15)
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43 **AG 1.29 Below Cost Selling/Unfair Sales Act**

44 Cooperative Network urges the Minnesota Legislature to maintain the statutory prohibition
45 against selling motor fuels below cost and urges the Wisconsin Legislature to maintain the
46 Unfair Sales Act. Without the protection of these laws, many motor fuel retailers would be
47 threatened. Consumers would end up with less competition in the marketplace and eventually
48 may be hurt by higher motor fuel prices. Cooperative Network urges the Legislatures and
49 Administrations to appropriate funds sufficient to adequately enforce the law. (R/16)
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AG 1.30 Credit Card Processing Fees and Cash Discounts

Credit card processing fees significantly erode retail margins on petroleum products as wholesale prices rise. This is in part due to the competitive nature of the business that keeps margins low. Since credit card processing fees are based on a percentage of the sale, as retail prices move higher, more consumers make credit purchases. Cooperative Network is supportive of legislative efforts that allow convenience stores and other retail locations to offer cash discounts. (R/13)

AG 1.31 Volume Premiums

Cooperative Network believes the issue of volume premiums should not be used as a means of dividing producers by size of operation, and acknowledges that there are benefits to all producers when cooperative plants operate at their most efficient plant capacities. Divisiveness over this issue does not contribute to a healthier dairy industry that can benefit producers with operations of all sizes.

Volume premiums should be based on economic justification. It should be left to the individual organization to determine what price level can be economically justified. (R/14)

AG 1.32 Uniform Testing of Milk

Consumers depend on a wholesome and safe milk supply to provide an important portion of their nutritional needs. To ensure milk is safe, Cooperative Network encourages producers to participate in the official 10 point milk quality assurance program.

The Food and Drug Administration (FDA) approved 17 different tests for use by processors in screening and confirmation for the presence of drug residue. Some of the test kits detect certain residues well below the FDA's published "safe" levels, while others detect at "safe" levels. The variety and non-uniformity of test are a business cost factor for plants, patrons and the insurance industry. Cooperative Network urges the scientific community and the FDA to adopt as a priority, creation of a drug screening test program which establishes uniformity at an acceptable cost. (R/15)

Agriculture Resolutions

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AG 1.33 Raw Milk

Because of Cooperative Network’s strong interest in maintaining the highest health and safety standards for dairy products, Cooperative Network opposes legislation allowing a dairy farmer to sell unpasteurized milk to consumers at the farm or at non farm locations. (R/16)

AG 1.34 Agriculture Business Climate

Minnesota and Wisconsin have undergone drastic changes in the agricultural sector. The acceleration in cash crop and specialty crop production has been accompanied by a drop in numbers of livestock farmers.

These changes are alarming because livestock production is the core of economic strength in rural Minnesota and Wisconsin. Farmers have too much invested in cooperative facilities to risk losing them. We urge legislative and administrative initiatives that:

- Monitor the current commodity price situation that may threaten the loss of more family farms.
- Provide favorable economic and organizational climate for farmers and agriculture to enable Minnesota and Wisconsin to compete profitably with other regions and in international markets.
- Stimulate growth in the livestock sector to better utilize our feed grain production.

Foster new production areas, as well as maintain traditional sectors. (R/14)

AG 1.35 Animal Health and Crop Protection Products in Food Production

Current scientific technology has made it possible to measure very minute quantities of additives used in food production, often well below any reasonable level of health risk. Cooperative Network urges food producers and allied professionals to follow approved labels in the administration and use of chemicals and drugs in food production. Dairy and livestock producers should work with their veterinarians to establish a valid Veterinary Client Patient Relationship (VCPR) to ensure continued confidence in meat and dairy products. Cooperative Network urges the Food and Drug Administration to take a logical and scientific approach based on proven health risks in establishing acceptable practices and restriction of product use. This should include maintaining current regulations on extra-label use of pharmaceuticals with consulting veterinarians on all species of animals and the continuation of Public Law 108-282. (R/16)

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AG 1.36 Point Source Phosphorus Regulations

Over the years, Wisconsin and Minnesota dairy processing plants have implemented cost effective technology in order to reduce phosphorus and yet remain competitive in a national and global dairy marketplace. Currently the industry has reduced the phosphorus discharge by more than 90 percent from the wastewater treatment plant. As states are pushed by the EPA and environmental organizations to implement much costlier technology to reduce phosphorus from the current standard of 1 mg/L to as low as 0.07 mg/L, Cooperative Network will oppose implementation and enforcement of the higher standards for Minnesota and Wisconsin until other states have similar regulations in order to provide a more level playing field for our dairy processing cooperatives. (R/16)

AG 1.37 Guest Worker Reform

Rural America has a need for a stable, legal supply of workers to sustain and grow agricultural production and processing.

Cooperative Network supports comprehensive federal immigration legislation that improves the stability of labor in rural America. Any immigration reform must include the following provisions: an affordable and efficient guest worker program that ensures the continued availability of immigrant labor for all agriculture, a provision that allows immigrants currently employed to earn the right to work legally, like the H-2A program. Provisions that specifies that the responsibility for ultimate verification of the legal status of a worker lies with the government not the employers and employers should be promptly notified of any violations and what specific matters need attention and correction should be included in any guest worker program.

Cooperative Network opposes immigration legislation that would require any of the following; applicants to return to their home countries in order to apply for legal status, any sanctions against employers who unknowingly hire illegal immigrant workers and/or implications that impede the ability to hire, and the availability of a legal and stable year-round workforce. (R/16)

AG 1.38 Somatic Cell Counts (SCC)

Cooperative Network supports reducing the maximum threshold of allowable somatic cells in milk at the farm level from the current 750,000 cells/mL, down to 400,000 cells/mL. (R/16)

Agriculture Resolutions – Minn.

AG 2.01 Agricultural Chemical Response and Reimbursement Account

The ACRRA program has benefited agriculture, by off-setting a proportion of environmental cleanup expenses associated with historic and accidental contamination at agronomy facilities, farms and other locations. The program has allowed many cooperatives and producers to address environmental concerns and remain in business as the cost of these cleanups can easily exceed the value of a person's assets. The industry-funded program has yielded tremendous benefits to the public.

Cooperative Network supports the continuation of the ACRRA program and believes that all eligible program users must pay their proportion of the fees that fund it. Cooperative Network supports efforts that will ensure that fees are paid on all eligible fertilizer and pesticide products used in the state as long as the process does not create an overly burdensome process for retailers. (R/15)

AG 2.02 Agriculture and Rural Careers

Cooperative Network urges the State of Minnesota to develop training and education assistance programs for farmers and rural residents. The goal of the programs should be to help individuals develop new skills and provide opportunities for those individuals to stay in rural communities. (R/16)

AG 2.03 Biodiesel and Ethanol

The ethanol and biodiesel industries contribute substantially to Minnesota's economy. Minnesota ranks within the top five in the nation for production of both corn and soybeans as agricultural crops. Developing a sustainable market for diesel fuel blended with bio-based oils would boost soybean processing in Minnesota and increase the demand for soybeans grown in Minnesota.

Cooperative Network supports the development of a sustainable biodiesel market in Minnesota and elsewhere, provided research and experience demonstrates that the fuel will not inhibit vehicle performance. Laws should include waivers, exclusions, or off-ramps to address potential quality of product issues, with greater consideration given to laws requiring increased use of biodiesel during winter months. Another important consideration to the creation of sustainable markets is the potential consequence to the livestock industry and feed costs. Policymakers may need to revisit the new biodiesel legislation that increases biodiesel use to 20% if the sustainability is largely at the expense of livestock producers, or product quality issues such as gelling, threaten to degrade the quality of motor fuels sold in Minnesota.

Sustainable biofuels markets are important to the continued economic health of agriculture. However, cooperative members' experiences with product quality issues have resulted in reduced market share for some motor fuel retailers. Maintaining a positive image and experiences with biofuels will ensure long-term markets for these products. Cooperative Network supports research to look at alternative sources of biomass for the production of ethanol, methane and biodiesel. (R/13)

Agriculture Resolutions – Minn.

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AG 2.04 Livestock Industry

Cooperative Network is concerned about changes in the livestock production and processing industry. A vigorous and growing livestock industry adds to the vitality of family farms and enhances employment, economic activity and viability of rural communities. The laws protecting farmers from nuisance lawsuits and changes to the corporate farm law will assist Minnesota livestock producers to compete through their cooperatives in national and international markets.

Cooperative Network encourages the legislature to continue to improve the environment for livestock siting.

Cooperative Network calls on the Minnesota Department of Agriculture to look for ways for government to look for financing solutions and improve access to capital with support of programs such as expanding the ability of the Rural Finance Authority to finance beginning farmers. Upgrading operations through cost-sharing programs will have long-term benefits for Minnesota's livestock economy. Cooperative Network supports a grant program to enable cost-sharing of improvements as may be required in the current rules. Cooperative Network opposes moratoriums on the construction of livestock facilities.

Cooperative Network thanks the legislature and the Governor for implementing the Livestock Investment Grant Program and encourages future funding for the Livestock Investment Grant.

Cooperative Network supports funding for research and improved technology by the University of Minnesota for the benefit of the state's livestock industry.

Cooperative Network supports educational programs targeted at producers in order for them to better understand the details of the current livestock rules, including implications of the rules and time table.

We support state-wide standards for environmental permitting. Cooperative Network urges the creation of interagency 'one stop' centers or 'hot-lines' to provide citizens with coordinated information, and the use of "producer advocates" to assist in the permitting process. (R/14)

AG 2.05 Petrofund

The Minnesota Petrofund is an excellent example of environmental legislation. It has created an incentive for owners of petroleum storage tanks to inspect tanks and monitor inventories to detect problems. Early action has minimized literally thousands of potential threats to groundwater. Cooperative Network commends the results of the Petrofund and urges that the program be made permanent. (R/15)

AG 2.06 Wetlands and Drainage

Wetland and drainage regulation impacts a large percentage of Cooperative Network members and the membership of these cooperatives. Cooperative Network urges a simplified, common sense approach to wetland regulations that will allow for proper drainage of wet farm areas within normal crop acres consistent with sound water conservation practices. Cooperative Network opposes changes to state or federal drainage laws that will restrict the ability of

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Agriculture Resolutions – Minn.

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3 producers to drain farmland for agricultural production purposes or restrict the ability to repair or
4 improve existing drainage systems. Cooperative Network supports the current state wetland
5 exemptions for agricultural land. We oppose any further public purchase of private land and
6 prefer a no net loss of private land. Cooperative Network has concerns on the impact to farms
7 of the Clean Water Restoration Act. (R/16)
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10 **AG 2.07 Preservation of Agricultural Land**

11 Population growth in suburban and rural settings has consumed increasing amounts of
12 productive farmland in Minnesota. Haphazard growth of the urban community results in high
13 costs of public services and generally leads to conflicts between urban and rural landowners.
14 Preservation of productive agricultural land is essential to maintaining Minnesota's farms and
15 rural lifestyle. Farms generate far more revenue than they consume in services.
16

17 Cooperative Network urges farmers and others who support continuation of production
18 agriculture to be actively involved in local government decision-making about zoning,
19 comprehensive planning, annexation, and other issues impacting the future of farming.
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21 Any changes in land use in Rural Minnesota should consider the impact to production
22 agriculture in the area. (R/16)

Agriculture Resolutions – Wis.

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3 **AG 3.01 Cabinet Form of Government**

4 The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) has a well
5 deserved reputation for quality and continuity throughout all segments of Wisconsin's rural and
6 agricultural community, as well as throughout the nation. The Wisconsin Department of Natural
7 Resources (DNR) has the same reputation among Wisconsin's environmental protection and
8 conservation community. The citizen boards of both agencies provide an invaluable mechanism
9 for allowing input to the Departments. Rural Wisconsinites have repeatedly stated their belief by
10 their support of numerous resolutions calling for the continuation of DATCP and DNR citizen
11 boards.

12
13 Cooperative Network goes on record in support of the continuation of DATCP and the DNR as
14 agencies under the direction of part-time citizen boards with restoration of board authority to
15 appoint the secretary. (R/13)
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19 **AG 3.02 Energy and Alternative Fuels**

20 Cooperative Network believes federal and state policy makers should make sure appropriate
21 priority is given to the agriculture sector. We encourage agricultural groups and farmers to
22 construct and operate energy production facilities in the state utilizing corn, whey, bio-mass,
23 agricultural and livestock waste and other Wisconsin products. We call upon the Governor and
24 State Legislature to provide incentives for the development and increased use of these state-
25 produced energy sources, in a way that is fair and equitable to all consumers. (R/14)
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29 **AG 3.03 Commodity Promotion Programs**

30 Cooperative Network urges the continuance of all appropriations and programs for promotion of
31 Wisconsin agricultural products in Wisconsin and out-of-state markets. (R/15)
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35 **AG 3.04 Right to Farm**

36 Cooperative Network believes the Department of Agriculture, Trade and Consumer Protection
37 (DATCP), the Wisconsin Department of Justice and the Wisconsin Legislature should continue
38 to protect the right to farm so farmers will have the opportunity for a profitable livelihood and all
39 society will have necessary food and fiber. We urge continued consideration of the need to
40 preserve our food and fiber base which provides us with our most essential needs.
41

42 Past support for agricultural operations includes legislation enacted by the Wisconsin
43 Legislature in 1996 that protects farmers' rights and limits the financial and other impacts of
44 nuisance claims initiated by others against farming activities. Cooperative Network will support
45 and may act in defense of challenges to right to farm, including lawsuits against individual
46 producers and broader based efforts that would undermine both principle and intent of the law.
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Cooperative Network supports the right of farmers to modernize and structure their farm businesses to respond to changes in the marketplace and, consistent with sound, science-based systems, to protect the environment. The livestock facility siting and expansion law was enacted in large part to assure the right to locate and expand facilities that meet statewide standards and to minimize project delay and neighbor conflict at the local level. The law requires DATCP to review the administrative rules that implement the law at least once every 4 years. Cooperative Network will oppose efforts to make changes outside the scope of the law and also opposes efforts to impose moratoriums on livestock siting expansions. (R/16)

AG 3.05 Preservation of Agricultural Land

Population growth in suburban and rural settings has consumed increasing amounts of productive farmland in Wisconsin. Haphazard growth of the urban community results in high costs of public services and generally leads to conflicts between urban and rural landowners. Preservation of productive agricultural land is essential to maintaining Wisconsin's farms and rural lifestyle. Farms generate far more revenue than they consume in services, as shown in various studies, including a University of Wisconsin study.

Farmers' financial decisions about their land should be respected and understood. Cooperative Network urges farmers and others who support continuation of production agriculture to be actively involved in local government decision-making about zoning, comprehensive planning, annexation, and other issues impacting the future of farming. Municipal boundary disputes can result in inefficient delivery of public services, urban sprawl, and negative effects on agricultural land. We encourage more boundary agreements among municipalities. Adjustment of boundaries through mutual agreement or by third-party resolution is a likely improvement to the current one-sided situation.

Recommendations of the Wisconsin Working Lands Initiative have been enacted by the legislature and these can provide new and updated tools to protect and enhance working agricultural land. They include: revitalize the Farmland Preservation Program (FPPs), create Agricultural Enterprise Areas (AEAs), create a grant program for the Purchase of Agricultural Conservation Easements (PACE), provide local planning grants to counties to offset the costs of updating FPPs, and establish a beginning farmer support program.

Cooperative Network encourages local government and landowners to work together to understand these tools and to implement the ones that best help stem the loss of valuable farming lands in their local areas.

In both the short and long run, a profitable agricultural sector will assure the preservation of farmland more than any government program or policy. (R/13)

Agriculture Resolutions – Wis.

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3 **AG 3.06 UW Board of Regents Agriculture Representative**

4 Wisconsin has some of the strongest agricultural research, education and outreach programs in
5 the nation. Colleges of Agriculture at Madison, River Falls, Platteville and UW-Extension are
6 known nationally and internationally. These institutions have been an integral part of making
7 agriculture Wisconsin's largest and most diverse industry. They have been the source of
8 countless new developments and innovations in agriculture, food, medicine, science and other
9 fields. The agriculture and allied food industries also account for nearly one quarter of all jobs in
10 Wisconsin.

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12 For these reasons, Cooperative Network encourages the governor to ensure that the UW Board
13 of Regents always has at least one well-qualified representative of agriculture serving on this
14 important policy board at all times. (R/14)

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18 **AG 3.07 Fairs and Expositions**

19 Cooperative Network continues to support a State Fair that has a strong agricultural and youth
20 emphasis.

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22 We also believe continued state funding is appropriate for the continuation of youth education
23 and strengthening of the community showcase of agriculture at county fairs. Cooperative
24 Network supports a state coordinator for county and district fairs at the Department of
25 Agriculture, Trade and Consumer Protection (DATCP) in order to ensure strong promotional,
26 educational and marketing support for our 76 county and district fair system.

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28 Cooperative Network supports continued state funding for World Dairy Expo. (R/15)

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32 **AG 3.08 Food Quality Protection Act**

33 In 1996, Congress passed the Food Quality Protection Act (FQPA). The Act amended two
34 major federal statutes regulating pesticides. Among the outcomes of the FQPA are: a single
35 health-based standard for all pesticides in food; incentives for the development of effective crop
36 protection tools for farmers; and periodic re-evaluation of pesticide registrations and tolerances
37 to ensure the scientific data supporting pesticide regulations will remain up to date in the future.
38 Over ten years, 9000 pesticide uses will be re-evaluated for safety.

39
40 In order to help analyze the effects of the FQPA on Wisconsin agriculture, the Pesticide Use
41 and Risk Reduction Project was started with a Department of Justice grant in 1998, and
42 continues with special appropriations from the USDA. The project is coordinated through the
43 University of Wisconsin's Center for Integrated Agricultural Systems. Cooperative Network was
44 one of eleven agricultural organizations that successfully submitted the proposal for funding to
45 the DOJ. The project identifies pesticides that are important in producing Wisconsin crops and
46 are considered to be of high risk to human health by the EPA.

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Agriculture Resolutions – Wis.

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3 Based on the evaluations, commodity-based teams of grower organizations, suppliers and
4 university researchers are identifying, developing and promoting safe and profitable alternatives
5 to FQPA targeted pesticides. The project is also working on private sector, market-based
6 opportunities to cover the increased cost of production inherent in adopting reduced-risk
7 production strategies. Cooperative Network supports the project since it is important to farmers
8 and consumers and calls upon all who are contacted by the research outreach efforts to
9 participate in the project. (R/13)

10 11 12 13 **AG 3.09 Animal Disease Control**

14 The health of our livestock population directly affects the supply, quality and price of meat and
15 milk products available to consumers. It is essential, therefore, that we maintain a continuing
16 eradication and control and prevention effort on the major livestock diseases in order to protect
17 human and animal health and to maintain a positive image of our products. This effort needs to
18 be applied to not only those diseases present in or known to the United States and Wisconsin,
19 but also to others from which we are not immune, to ensure the continued strength of our
20 markets and stability of livestock producers.

21
22 The USDA and DATCP administer non-duplicative indemnity programs to pay owners of certain
23 condemned diseased animals for their losses. The market value is paid for losses where
24 catastrophic disease is the cause. Wisconsin statutes provide that in the event of a major or
25 serious outbreak of dangerous diseases requiring special control measures, DATCP may
26 request the Legislature's joint committee on finance to release funds to conduct emergency
27 control programs, or to pay various indemnities not covered by the USDA. Cooperative Network
28 supports continuation of indemnity payments as one part of the eradication effort on serious
29 diseases.

30
31 Johne's disease is one example of an animal health problem increasingly being recognized as
32 serious and warranting strong action. Cooperative Network supports ongoing efforts to increase
33 awareness of Johne's, increase herd testing, and provide incentives for communication and
34 education among producers and manufacturers, and to promote essential research about the
35 costly disease.

36
37 It is essential to put in place the necessary management and communications systems to
38 anticipate major animal health emergencies in Wisconsin. Cooperative Network participates
39 and supports the activities of the Wisconsin Incident Management Network (WIMN), an alliance
40 of more than 40 cooperatives and public and private organizations involved with the dairy
41 industry. WIMN participants will work with the emergency management systems in the state to
42 help assure consumer confidence in our food and food production systems in the event of an
43 animal health incident or emergency.

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45 Cooperative Network supports increased research and improved testing programs emphasizing
46 the use of the Wisconsin Veterinary School and the Wisconsin Veterinary Diagnostic
47 Laboratory. (R/14)

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AG 3.10 U.W. Center for Dairy Research

The University of Wisconsin Center for Dairy Research (CDR) was created with the leadership of Cooperative Network and Wisconsin dairy cooperatives to provide research in new dairy products and technologies. Wisconsin dairy producers are the source of three quarters of the annual budget through the Wisconsin Milk Marketing Board (WMMB) and National Dairy Board/Dairy Management Inc. (DMI). The UW-Madison provides less than one-tenth of the budget and industry contracts and other sources supply the balance. It is Cooperative Network’s goal that member cooperatives are positioned to be rapid adaptors and thus the beneficiaries of these new value-added products and technology advances. Cooperative Network urges continued support and involvement with CDR as the long-term health of the dairy industry benefits from their activities. (R/15)

AG 3.11 Milk Quality Programs

Cooperative Network recognizes the accomplishments which have accrued to the dairy industry and the public from the milk quality programs. We urge that adequate Grade A inspection support be provided and that the programs be administered in a manner which will reduce costs, avoid duplication of services and minimize divergent interpretation of rules. States should have flexibility in determining the number of farm inspections. Cooperative Network supports a DATCP initiative that would allow a risk-based alternative to routine inspection of Grade A dairy farms. The proposal will require changes to the Pasteurized Milk Ordinance (PMO). Certification of the safety and wholesomeness of Grade A milk by the Wisconsin Department of Agriculture, Trade and Consumer Protection pursuant to the PMO as a prerequisite to interstate movement of fluid milk protects public health and should be financed by public tax dollars. (R/16)

AG 3.12 Producer Security

Cooperative Network continues to oppose mandatory payment of assessments into the security pool if dairy purchasers meet required financial criteria. Cooperative Network will work with its dairy and farm supply members, other stakeholders, and DATCP to create a less costly and more efficient program. Among the desired changes are revisions in program debt to asset ratios that currently penalize businesses that borrow money to expand and modernize their operations, or that have defined benefit pension obligations. Cooperative Network will work to eliminate the unfair situation where some contractors have been forced to maintain private financial security while also making payments into the APS fund. These and other changes will have to be enacted if the program is to become what it was intended to be--a cost savings to industry and a more timely and efficient system to protect producers in the event of a business failure. Because cooperatives are member owned and member governed businesses, Cooperative Network has suggested that cooperative boards of directors be permitted to vote to “opt out” of the program if approved by majority vote of the respective board. (R/14)

Agriculture Resolutions – Wis.

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AG 3.13 Groundwater

Cooperative Network is concerned about protecting the state's groundwater quality. We support programs that identify harmful substances and monitor their presence to protect the health and welfare of our citizens. To the extent possible, we encourage development of reasonable and uniform national standards for groundwater quality, uniform regulations to protect groundwater, and uniform enforcement and coordination between state agencies.

We urge the Legislature to use general tax revenues in addition to user fees to establish a compensation program for required remediation, which benefits the environment and is equitable for everyone.

Cooperative Network strongly urges all agencies concerned with groundwater programs to continue efforts to achieve the goal to develop management practices which prevent or minimize pollution of the groundwater. We believe state policy must recognize this is a local problem which should be resolved through education, cost-sharing and modified practices.

Access to sufficient groundwater quantity has become an issue in parts of Wisconsin and high capacity wells critical to Wisconsin agriculture could face additional regulation as a result. Cooperative Network will advocate for the needs of its members' access to groundwater as this debate intensifies. In addition, Cooperative Network opposes unreasonable proposals that would restrict the amount of groundwater that could be withdrawn. (R/15)

AG 3.14 Agri-chemical Clean-up

Soil and groundwater contamination from agricultural chemicals at mixing and loading facilities operated by farm supply cooperatives, other farm supply businesses and at farm sites have been identified by state agencies as a serious concern. In order to address these concerns as fairly and expediently as possible, Cooperative Network successfully led the effort to get state legislation enacted that created a fund for partial payment of the costs of cleaning up such sites.

Because of several "raids" on the ACCP fund over the years by governors and the Legislature, the program's future is in doubt as stakeholders' displeasure with these raids increase. Cooperative Network will engage its members to determine the appropriate course of action that could avert the continual raids on this segregated fund. At a minimum, this will entail reducing the product and license surcharge fees that fund the program to bring revenue and ACCP program expenditures into approximate balance. (R/16)

AG 3.15 Non-point Pollution Control

Under administrative rule ATCP 50, governing the soil and water resource management program (non-point), government cost sharing with farmers is necessary in order to require them to make costly investments in structures to abate water pollution attributable to agricultural sources and animal waste. We call upon policymakers to make the appropriation of cost-share money a budget priority. To prevent overly burdensome costs on farmers and the state, common sense practical approaches must be considered as the program evolves.

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Agriculture Resolutions – Wis.

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3 Cooperative Network acknowledges DATCP’s role in using state money to provide cost-share to
4 farmers to implement nutrient management plans. State funding consists of general purpose
5 revenue and a portion of the fee collected on solid and hazardous waste disposed at Wisconsin
6 landfills. Increasing the development and the use of nutrient management plans on Wisconsin
7 farms is a key part of the non-point rule. These plans will be phased in throughout Wisconsin.
8 The Conservation Reserve Program (CRP) is a joint effort between the USDA, state and
9 participating counties. The program encourages the creation of riparian buffers and filter strips
10 through planting grasses and trees along stream banks to diminish run-off of nutrients and
11 topsoil.

12
13 Cooperative Network believes that the Wisconsin Agriculture Stewardship Initiative (WASI),
14 announced in 2000, with its three parts—the UW-Platteville Pioneer Prairie Farm, the Discovery
15 Farms, and other UW campuses—is a logical endeavor to discover answers to some of the non-
16 point challenges identified in the rulemaking. This Initiative recognizes the need for producers
17 to be able to grow economically as well as to protect the environment. It is clear that
18 environmental regulations affecting production agriculture must be based on applied science
19 and must not jeopardize the future of animal and crop agriculture in Wisconsin. Cooperative
20 Network supports the work of WASI and participates on the Discovery Farms Steering
21 Committee. (R/13)

22 23 24 25 **AG 3.16 Petroleum Environmental Cleanup Fund Award (PECFA) Program** 26 **Reform**

27 In the 1987-1989 Legislative Session, the Petroleum Environmental Cleanup Fund Award
28 (PECFA) Program was created to reimburse property owners for a portion of the cleanup costs
29 of discharges from petroleum storage systems and home heating oil systems.

30
31 A petroleum inspection fee of 2 cents per gallon imposed on all petroleum products brought into
32 Wisconsin funds the program.

33
34 Cooperative Network will work with its members and others to determine the future of the
35 program as the level of program activity diminishes. Like other segregated funds, the PECFA
36 fund has suffered diversion of resources to other purposes never intended when the program
37 was created. As a result, a phase-out of the fee could discourage those diversions while still
38 supplying resources necessary for the reduced site cleanup reimbursements. (R/14)
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Credit Union Resolutions

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CU 1.01 Taxation of Credit Unions

Credit unions are not for profit, member-owned, democratically controlled financial cooperatives. Additional taxes on cooperatives and credit unions are therefore a tax on individual members, who already pay income tax on dividends received.

Cooperative Network strongly opposes any attempts, either at the state or federal level, to tax credit unions in the same manner as for-profit shareholder-held corporations. We therefore urge the Minnesota and Wisconsin Congressional Delegation and State Legislatures to oppose any tax proposals that would erode the tax exemption afforded credit unions and cooperatives in general. (R/15)

CU 1.02 Credit Unions and Cooperative Development

In the spirit of cooperatives helping cooperatives, we urge credit unions to assist with the financing and development of new and existing cooperative ventures in communities across Minnesota and Wisconsin to the degree that their charters and bylaws allow.

We urge credit unions to work closely with Cooperative Network on cooperative development and to assist in efforts to secure financing that will foster and nurture new and expanding cooperative enterprises. (R/16)

CU 1.03 National Credit Union Share Insurance Fund

The National Credit Union Share Insurance Fund (NCUSIF) is and can be challenged by crisis outside of the control of natural-person credit unions who capitalize the fund. Cooperative Network strongly opposes federal efforts to risk the strong and well-capitalized NCUSIF in an effort to bail out the insurance funds of banks, savings and loan institutions, and savings banks. In addition, excessive or unreasonable premium assessments which harm the strong capital position of natural-person credit unions will be opposed. Cooperative Network strongly supports efforts to capitalize this fund in a fashion that protects individual credit union contributors. Cooperative Network therefore resolves to work with the Minnesota Credit Union Network, Wisconsin Credit Union League and credit unions to encourage a strong NCUSIF and fight any merger of the deposit insurance funds or unfair assessments. (R/13)

Credit Union Resolutions

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CU 1.04 Dual Chartering

Dual chartering, the choice between a federal and state charter, has provided a healthy competition between federal and state governments to appropriately control and respond to geographic and economic situations.

Credit unions' dual chartering system has benefited by the competitive interplay and "balance of power" between NCUA and state regulators to provide the best system of examination, supervision and regulation. The continuation of this competitive interplay and "balance of power" is essential to the future of the dual chartering system.

Minnesota and Wisconsin credit unions are largely state chartered. Cooperative Network believes this form of local control is responsible in part for the vitality of the credit union movement in Minnesota and Wisconsin. Cooperative Network supports the dual chartering system and opposes any proposal which would supersede states' rights or usurp the power of state regulators. (R/14)

CU 1.05 Access to Credit Union Services

As not-for-profit cooperative financial institutions, credit unions provide a critical alternative for working families. Credit union members, by virtue of the direct control they exert through the organizational structure and operations of the credit union, should collectively have complete authority to decide which financial services should be offered and to whom.

State and federal laws should make it easy to become a member of a credit union, and regulations should allow credit unions to offer various products and services requested by their members. Cooperative Network will assist the Minnesota Credit Union Network and the Wisconsin Credit Union League in pursuing law and policy changes that enable credit unions to provide more and better services to their members. (R/15)

CU 1.06 Promoting Financial Literacy

Studies show that many high school students do not possess the basic financial skills necessary to manage their personal finances.

Cooperative Network believes that the promotion of financial literacy, particularly among our youth, is critical to the future of Minnesota and Wisconsin's economy. Students who learn sound money management today will have an easier time affording home ownership, obtaining loans for higher education and running cooperative businesses in the future.

Cooperative Network will work with the Minnesota Credit Union Network, the Wisconsin Credit Union League, credit unions, government agencies, schools and communities to promote and encourage financial literacy programs. Further, we will continue to advocate for the passage of legislation that would require financial education as a prerequisite for graduation from Minnesota and Wisconsin high schools. (R/16)

Credit Union Resolutions

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CU 1.07 Credit Unions Fighting Predatory Practices, Helping Low-Wealth Individuals

Cooperative Network strongly supports the REAL Solutions and Real Deals programs created by The Filene Research Institute and implemented by the Minnesota Credit Union Network, the Wisconsin Credit Union League and their member credit unions to develop products, services, and financial education that will combat predatory financial practices and meet the needs of consumers of modest means to include low income, new Americans, and others that are not having their financial needs met by the mainstream financial services system. (R/13)

CU 1.08 Parity for State-Chartered Credit Unions

Cooperative Network supports efforts to achieve parity for state-chartered credit unions when federal credit unions gain powers and advantages not yet available at the state level. (R/14)

CU 1.09 Conversion of Credit Unions

In any sale, acquisition, merger or restructuring of a cooperative, members are entitled to transparency, honesty, disclosure of the terms of the proposed transaction and full involvement in the ultimate determination of the event. Therefore, Cooperative Network will oppose legislation or other effort that removes protections for, reduces the transparency or disclosure requirements to, or seeks to dilute the equity of credit union members in the process of conversion of a credit union to a different financial entity. (R/15)

CU 1.10 Credit Union Capital

Cooperative Network strongly supports legislation that improves credit unions' ability to raise capital and serve businesses and members. (R/16)

CU 1.11 Regulation of Minnesota Credit Unions

Cooperative Network urges the Minnesota legislature and Minnesota Department of Commerce to recognize the unique regulatory structure necessary to oversee non-profit, member owned credit unions. Cooperative Network will work with the Minnesota Credit Union Network and the state's credit unions to maintain a regulatory climate that will ensure the highest level of service to credit union members. (R/13)

CU 1.12 Regulation of Wisconsin Credit Unions

In 1996, the Wisconsin Legislature created the state Department of Financial Institutions (DFI) to oversee financial institutions serving Wisconsin consumers. Previously, Wisconsin credit unions were regulated by a separate and independent commissioner - a regulatory environment that helped make Wisconsin credit unions among the best in the country in terms of financial stability and consumer responsiveness. The Wisconsin Office of Credit Unions, a cabinet-level agency responsible for regulatory oversight of credit unions under Chapter 186, is now housed within DFI for administrative purposes.

(Continued)

Credit Union Resolutions

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Cooperative Network recognizes the importance of an independent, regulatory agency that understands the unique, cooperative structure and principles that govern the operation of credit unions. Therefore, we urge vigilance and extreme caution by the Legislature and the governor in overseeing the Office of Credit Unions. It is imperative that credit unions maintain separateness in policy-making decisions within DFI.

Cooperative Network further encourages the legislature to monitor the Department's operations to ensure that credit unions, because of their unique structure as member-owned and controlled cooperatives, maintain the independent regulatory system and the Review Board process that has served Wisconsin credit union members and other financial institution customers well.

Cooperative Network, therefore, resolves to work with the Wisconsin Credit Union League and the state's credit unions to maintain a regulatory climate that will ensure the highest level of service to credit union members. (R/14)

CU 1.13 Federal Regulation of Credit Unions

Cooperative Network opposes any effort to combine the National Credit Union Administration (NCUA) into a "Super Regulator" for financial institutions that would conceivably merge the four bank regulatory agencies with the NCUA. As not-for-profit, member-owned cooperatives, credit union regulation should be kept separate from the for-profit banking world. (R/15)

CU 1.14 Member Business Loans

Because of the importance of funding for small businesses, and since credit unions are strongly positioned to provide that funding, Cooperative Network supports efforts to raise the Member Business Lending cap on credit unions (currently at 12.25% of total assets) and to increase the size of loans which are excluded from the cap (currently at \$50,000). (R/16)

Farm Credit Services Resolutions

1 2 3 **FC 1.01 Farm Credit System**

4 Agriculture in the United States is structurally diverse, complex, and consumer driven, with its
5 success dependent upon vibrant rural communities and a broad base of marketing, processing
6 and agriculturally-related businesses that are located in rural areas.

7
8 Cooperative Network encourages the Farm Credit Administration, the Farm Credit System and
9 Congress to work together to develop viable programs which will enable the System to continue
10 serving agriculture and rural America in response to the structural, economic and demographic
11 shifts that continue to occur in agriculture, including unfettered access to funding sources in the
12 absence of fully functioning credit markets.

13
14 Furthermore, Cooperative Network believes that the Farm Credit System should be maintained
15 as a strong and viable source of financial services for agriculture and rural America. We
16 support maintaining the Farm Credit System under the jurisdiction of House and Senate
17 agricultural committees and the retention of the Farm Credit Administration as a strong and
18 independent regulator for the Farm Credit System.

19
20 We strongly oppose the imposition of user fees or new taxes on the Farm Credit System.
21 System institutions now pay: the cost of their regulator, the Farm Credit Administration; and
22 insurance premiums to the Farm Credit System Insurance Corporation. These costs are
23 disproportionately high compared to those imposed by the government on other lenders. This
24 inequity would be worsened if System institutions, and ultimately the cooperatives and
25 producers who are their members, are required to pay an additional user fee or tax.

26
27 Cooperative Network supports federal legislation that will allow CoBank to finance any entity
28 that meets the definition of an agricultural cooperative as provided under any state law.

29
30 We support a flexible regulatory environment for providing mission-related investments, more
31 effective use of System capital, and being responsive to customers' needs and market forces.

32
33 Agriculture remains a vital contributor to the U.S. economy and to the world's supply of food and
34 fiber, and rural America remains an important contributor to our nation's culture, work ethic and
35 way of life. Further, agriculture and rural America are changing and, correspondingly, their
36 needs for financial services and capital, new investment, and infrastructure are changing.

37
38 The customer-owned Farm Credit System has a mission to serve the financial needs of
39 agriculture and rural America by providing capital, expert advice and competitive financial
40 services and products.

41
42 Because agriculture and rural communities – including members of Cooperative Network – need
43 greater, more dependable access to competitive, flexible, financial resources in order to
44 compete in a changing global economy, Cooperative Network will support regulatory and
45 legislative changes that would provide agricultural producers, rural businesses, rural
46 homeowners, and others in rural America with broader access to financing by the cooperative
47 Farm Credit System. (R/13)

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GC 1.01 Cooperative Development Services

Cooperative Network has made it a priority issue to fill the gap in development assistance to new and established cooperatives. Cooperative Network urges cooperatives, cooperatively-oriented organizations and all other friends of co-ops to support Cooperative Development Services (CDS). Cooperative Network also urges state government officials, agencies, the University of Minnesota, the University of Wisconsin, the Cooperative Foundation, the Cooperative Development Foundation, Upper Midwest cooperative state councils and regional and local cooperatives to continue to lend their expertise, resources and support to this cooperative endeavor. Cooperative Network encourages the Minnesota Legislature to continue funding the Agricultural Utilization Research Institute (AURI). (R/14)

GC 1.02 Cooperative Education

Cooperative Network recognizes the value of cooperative education and encourages all public and private schools, including K-12 and post secondary, to emphasize in their curricula the importance of cooperatives in the economy and the need for qualified cooperative personnel. Cooperative Network should continue to establish relationships with educational purveyors, Junior Achievement, Life Smarts, the brass Student magazine and others to promote the inclusion of cooperatives in their curricula. We strongly urge all cooperatives to take an active role in cooperative education in their local schools. (R/15)

GC 1.03 Cooperative Form of Business

The future of cooperatives is increasingly threatened by conversions of cooperatives to investor-owned businesses. Cooperative Network has the responsibility to publicly and vigorously defend the cooperative form of business and the seven cooperative principles; Cooperative Network supports the right of member-owners to exercise democratic control of their cooperatives including the right to restructure or sell the cooperative. However, in any sale, acquisition, merger or restructuring of a cooperative, members are entitled to transparency, honesty and full disclosure of the terms of the proposed transaction. The net worth of cooperatives belongs to the members and shall remain with them; there shall be no unjust enrichment of directors or senior management upon sale or conversion.

Cooperative Network strongly believes that employee-owned enterprises organized as cooperatives should be an integral part of the state's employment and business mix. We therefore urge state officials to more actively encourage and simplify employees' ability to buy out their companies, especially in cases where the business might close or move. (R/16)

GC 1.04 Cooperative Good Governance

Cooperative Network strongly recommends that all cooperative directors receive education and training in the following areas: a) board duties and responsibilities, including management relations; b) cooperative governance, structure and financing; c) cooperative strategic planning; and d) membership communication and education. (R/13)

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GC 1.05 Cooperative Finances and Equity Redemption

Adequate equity financing and equity redemption programs are critical to the success of cooperatives. Cooperative Network opposes any legislation requiring mandatory equity redemption. Cooperative Network should research opportunities that may provide cooperatives with adequate means of financing both debt and equity. This may include supporting a national strategy for purchasing co-op equities in a public pool or other such means to foster a business environment conducive to cooperative growth and prosperity. (R/14)

GC 1.06 Cooperatives' Right to Serve Members and Diversity in Size

Cooperatives, credit unions and town mutual's of all sizes are obligated to meet the needs and demands of their member-owners by providing products and services at prices that are reasonable and competitive. Cooperative Network will oppose legislative or regulatory efforts to limit, curtail, prohibit or interfere with the efforts of its member cooperatives to furnish legitimate products and services they choose to sell. (R/15)

GC 1.07 Cooperatives and Taxation

Cooperative Network will monitor and keep membership informed on taxation proposals and studies that would affect cooperatives. Cooperative Network supports continuation of the single-tax treatment of cooperatives and their patrons. (R/16)

GC 1.08 Integrity of Segregated Funds

In recent years it has become increasingly more common that actions by both the governor and Legislature result in the diversion of money from state segregated funds to cover expenditures previously paid for through general fund revenue. This is a result of both looming general fund deficits and the aversion of state elected officials to balancing the state budget through tax and expenditure modifications sufficient to balance the general fund.

Cooperative Network believes that this practice of raiding segregated funds is inappropriate and should be curtailed. It damages the ability to cover functions or services that the segregated funds were created to provide. It also decreases our citizen's faith in the ability of their elected officials to protect funds derived from fee revenue from unintended uses. We call on the Governor and Legislature to stop diverting segregated fund revenue for uses that were never intended, and to address future general fund shortfalls through other budget actions. (R/13)

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GC 1.09 International Cooperative Development

Cooperative Network calls on all cooperatives to educate their members on the work being done in international cooperative development. We urge our members to donate funds, expertise and other resources to assist this work.

Cooperative Network urges the federal government to maintain or increase funding for the Cooperative Development Program in USAID and other agencies or programs helping to create and promote cooperation. (R/14)

GC 1.10 Rural Development

Cooperative Network and its member cooperatives should continue their strong leadership in supporting and promoting activities to strengthen existing rural development programs and to promote new initiatives which expand the roles for cooperatives, including all Farm Credit institutions, in rural development. Rural cooperatives recognize and support the important contributions made by the USDA Rural Economic Development Loan and Grants Program (REDLG) in promoting the development of our rural communities. (R/15)

GC 1.11 Support for Universities and Cooperative Extension Commitment to Cooperatives

In order to improve the efficiency and effectiveness of Minnesota's and Wisconsin's overall co-op research, education and development delivery system, Cooperative Network supports the University systems in each state, Extension, Cooperative Extension, as well as specific departments such as those that specialize in agriculture and other rural issues of importance in their efforts to:

- Improve the quality and relevance of research, education and development work by strongly linking these three related areas;
- Make cooperative research, education and development work more responsive to the co-op business community;
- Expand the capacity to conduct high quality research needed for co-op growth; and,
- Create a framework for building interstate linkages to other colleges and land grant institutions

Cooperative Network supports Land-Grant research, Extension and other departmental goals and will work aggressively to promote a responsive system of research and Extension education to serve the needs of our citizens. We call upon Congress, governors, state legislatures and county boards to maintain current levels of base funding for research, Extension and Cooperative Extension programs at both the state and county levels and to increase investments in such programs as new needs and initiatives warrant. (R/16)

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GC 1.12 Transportation

Attaining an efficient, well-maintained transportation network and other components of a strong, multi-faceted infrastructure is vital to the future of cooperatives.

Cooperative Network supports the following issues concerning transportation infrastructure, including finance:

1. The federal government must establish clear-cut policies and well-defined objectives concerning transportation. Failure to do so thus far has had enormous consequences for cooperatives and their member-owners.
2. The motor fuel excise tax shall be dedicated solely to the state transportation fund and transportation needs. There must not be further diversion of highway tax revenues from the state or federal level.
3. Cooperative Network opposes any new tax on those who refine, or distribute motor fuel.
4. There must be equitable charges among all users of waterways, including recreational and commercial users.
5. There must be timely investment of federal, state and industry matching dollars to improve the aging Upper Mississippi River lock-and-dam infrastructure. Cooperative Network urges Congress to support appropriations to implement the Corp of Engineers proposal for maintaining the river system for transportation in balance with recreational and conservation needs. We oppose a lockage fee that would unfairly burden shippers on the northern parts of the Mississippi River system.
6. Cooperative Network supports expansion of rail service into the Powder River Basin. We encourage the routing of tracks in a manner that causes the least disruption to the agricultural community and consumes the least amount of valuable agricultural land. Specifically, the bypasses being considered would be detrimental to those farmers whose land it would take but also for farmers trying to get across the tracks. We support staying as close to existing right of way and property lines as possible in upgrading railroad tracks.

Cooperative Network supports the following additional issue concerning transportation:

7. Cooperative Network understands that water levels in the lower reaches of the Upper Midwest river systems, including the Mississippi and Missouri, must be balanced against adequate water levels in the upper reaches of rivers to insure that there is no negative impact on members who depend on these water levels for adequate transportation and services and to maximize hydro power production. (R/13)

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GC 1.13 Captive Shippers and Rail Transportation

Bulk commodity shippers, such as coal burning electric utilities and agricultural businesses are often “captive” to railroad companies because certain areas lack economically viable alternatives for freight delivery. Railroads also enjoy anti-trust protection under current law, making it difficult for shippers to challenge the activities of rail companies.

Recent actions by a number of rail companies have dramatically driven up rates for rail shipping.

Cooperative Network supports all legislative, judicial, and administrative remedies that would ensure fair competition in the railroad industry, provide reasonable rates and adequate service.

In particular, we believe the Surface Transportation Board (STB) must be held accountable by the president, needs to be given resources and authority, and must exercise that authority to protect shippers from unfair economic actions by the rail companies. We also believe Congress should repeal the rail anti-trust exemption. (R/14)

GC 1.14 New Cooperative Laws

Cooperative Network, through its advocacy in the Minnesota and Wisconsin Legislatures, was responsible for creating Minnesota Statutes Chapter 308B and Wisconsin Chapter 193. The purpose of the new cooperative laws is to ensure that cooperatives have a modern, flexible, state law that will keep the two states as leading cooperative states in the nation, while remaining true to cooperative principles. A major feature of the laws provide for expanded opportunities to obtain equity for value-added and other cooperatives. Both Minnesota and Wisconsin have seen a number of cooperatives formed under these two laws. Cooperative Network will continue to work to educate its members and others about the possible advantages of forming Chapter 308B and Chapter 193 cooperatives. (R/15)

GC 1.15 Climate Legislation

Policy choices seeking to reduce greenhouse gas emissions must be designed to have the least negative impact on the ability of cooperatives to deliver affordable goods and services including reliable electricity. Cooperative Network urges policymakers to carefully evaluate potential environmental benefits against economic impacts. The following are essential attributes of any viable federal climate legislation:

- Covers all sectors of the economy and all nations;
- Provides suitable “off ramps” for any plan which threatens economic and energy reliability and security;

(Continued)

General Cooperative Resolutions

- Balances policies to be fair and equitable to cooperatives and rural residents;
- Removes impediments to increasing efficiency of existing generating units including hydro and nuclear power and cost-effective renewable energy sources;
- Links timelines for carbon reduction to technological progress;
- Provides a full allocation of credits to cooperatives under any Cap-and-Trade program;
- Allows credits to production agriculture for certain practices such as methane capture, no-till farming, wind energy production, crop rotation, biomass energy production, and other low-carbon or carbon-capture strategies; and
- Pre-empts state programs.

Furthermore, Cooperative Network opposes the regulation of greenhouse gas emissions by the Environmental Protection Agency (EPA) under the Clean Air Act. (R/16)

GC 1.16 Hours of Service

Cooperative Network opposes restrictions on hours of service at both the state and federal level unless such proposals are based on sound science and are justified economically to the cooperative community. Cooperative Network encourages safe operation of commercial motor vehicles and does not oppose reasonable trucking regulations. However, any rules proposed by the Federal Highway Administration restricting the hours of service that a commercial motor vehicle driver can work must not lead to substantial compliance costs for cooperatives, while yielding only questionable benefits. (R/13)

GC 1.17 Environmental Stewardship

Cooperative Network is supportive of efforts to protect the environment and public health and welfare, providing that the laws and standards are reasonable; equitable; achievable; economically feasible; and are based on sound, peer-reviewed science.

We urge those administrative agencies responsible for development of pollution abatement regulations to carefully consider the costs and benefits of such regulations on all segments of the economy. We support continued coordination between various governmental agencies which administer rules.

As an indication of its commitment to protection of the environment, Cooperative Network has established an Environmental Services Program to help cooperatives meet multiple environmental compliance needs. Cooperative Network will continue to give top priority to environmental compliance programs and urge all supply co-ops to actively participate in and support them. The goal will be a cleaner environment. (R/14)

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GC 1.18 Government Agencies Supporting Cooperatives

Cooperative Network commends the United States Department of Agriculture (USDA), the Minnesota Department of Agriculture and the Wisconsin Department of Agriculture Trade and Consumer Protection, for their work on behalf of agriculture and cooperatives. We also recognize USDA Rural Development Office and Business and Cooperative Programs for supporting many types of cooperatives and the Rural Utilities Service (RUS) for its support specifically of utility cooperatives. RUS needs to maintain its traditional lending authority, including generation and transmission. We urge Congress and the state legislatures to appropriate sufficient funds so that important and necessary cooperative economic research, loans, grants, and information services are continued and adequately funded. (R/15)

GC 1.19 Power Quality, Stray Voltage

Dairy producers and their power suppliers depend on each other. Power suppliers need financially healthy producers. Dairy farmers need safe, reliable, reasonably-priced electric power.

Both dairy producers and electric cooperatives support National Electrical Code-approved methods for addressing the stray voltage issue.

In addition, both support more on-farm testing of electrical phenomena and educational efforts to further promote human and animal health and safety. All power suppliers and their customers will benefit from the resolution of this problem. (R/16)

GC 1.20 Tuition Reciprocity

Cooperative Network believes that the Tuition Reciprocity Agreement between Minnesota and Wisconsin gives students of both states better access to an affordable college education. Cooperative Network encourages legislators of both states to keep the Minnesota-Wisconsin Tuition Reciprocity Agreement in place. (R/13)

GC 1.21 Tax Expenditures

A tax expenditure is money the government exempts from taxation. An example of a tax expenditure is deducting your mortgage interest from your taxable income. Many different non-profits and not-for-profit co-ops such as credit unions constitute a tax expenditure because they do not pay state corporate income taxes.

Cooperative Network opposes efforts that could result in ending tax expenditures for non-profit and not-for-profit cooperatives. Co-op member-owners could be negatively impacted because tax benefits to eligible co-ops are passed on directly to their members in the forms of cheaper services or lower fees. Cooperative Network opposes legislation that would sunset or eliminate tax expenditures for not-for-profit or non-profit cooperatives. (R/16)

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GC 1.22 2012 International Year of Cooperatives

The United Nations General Assembly passed Resolution 64/136 proclaiming 2012 as the International Year of Cooperatives.

The International Year of Cooperatives' theme, "Cooperative Enterprise Builds a Better World," recognizes the power of cooperatives to promote economic and social development and help eradicate poverty. Cooperatives are a major economic force in developed countries and a powerful business model in developing ones. Worldwide, over 800 million people are members of cooperatives.

Cooperative Network joins cooperatives throughout the world in celebrating 2012 as the International Year of Cooperatives, and recognizes the unparalleled opportunity it provides to promote cooperatives, raise public awareness of the contributions of cooperatives to social and economic development, and advocate for the formation and growth of cooperatives. (R/16)

General Cooperative Resolutions – Minn.

GC 2.01 Conciliation Court Levels

Conciliation court requires less court fees and costs than District Court and does not require the party to retain an attorney. The maximum amount a person can bring in a conciliation or small claims lawsuit under the Minnesota Conciliation Court statutes (Minnesota Stat. 491A) is \$7,500. If the amount owed is greater than \$7,500, the co-op is forced to file a traditional lawsuit, losing many of the efficiencies of Conciliation Court. This amount has not been raised since 1994; due to the rising costs of energy, food, commodity and farm inputs, the collections owed to Minnesota's co-ops are raising, and are increasingly higher than the \$7,500 cap. To save funds for the member-owners of co-ops, Cooperative Network proposes raising the Conciliation Court jurisdictional amount. (R/16)

GC 2.02 Energy Assistance for Propane and Heating Oil Users

Cooperative Network realizes that there are great numbers of Minnesota residents that are in need of energy assistance. Though Cooperative Network fully supports Low Income Home Energy Assistance Program (LIHEAP) funding, because of rapidly rising energy and delivery costs for dealers, Cooperative Network feels that changes must be made to the program's delivery. Cooperative Network encourages policymakers to create programs that educate recipients and encourage pre-arranged payment solutions for the portion of the recipient's energy needs that have not been historically covered by LIHEAP. Additionally, Cooperative Network asks policymakers and the Minnesota Department of Commerce to reevaluate "crisis funding" to make it reflective of higher costs of delivery and the minimum delivery policies that have been enacted by our dealers. Cooperative Network supports a policy of non-discrimination with regards to delivered fuels and believes that all customers who have the ability to pay should be served regardless of the source of payment.

Furthermore, Cooperative Network opposes the extension of the state's "Cold Weather Shut-off Rule" to the delivered fuels industry and the collection of proprietary data or other internal business information from fuel suppliers. We firmly believe that, should the "Cold Weather Shut-off Rule" be extended to the delivered fuels industry, there would be a great number of Minnesota residents that would be without a heating fuels supplier because of the resulting shift of the financial burden onto heating fuel suppliers. (R/13)

GC 2.03 Truck Weight Exemptions

Cooperative Network understands the need for local government to protect its highway infrastructure by placing spring load restrictions on local roads in rural Minnesota, but sometimes these restrictions add to the cost of living and doing business in rural Minnesota. With the transport of home heating fuel and propane, co-ops ensure that homes have a reliable source of heat. Under current law, highway maintenance vehicles, mobile library units, school buses, garbage haulers, emergency public utility vehicles and milk trucks are exempt from spring load restrictions, we believe that propane, fertilizer, feed and fuel oil hauler vehicles should be exempt from spring load restrictions and ask that they be included as exempt vehicles under Minnesota law 169.87. (R/14)

General Cooperative Resolutions – Wis.

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GC 3.01 Cooperative Education

We believe education pertaining to cooperative forms of ownership should be available in the UW System. We recognize the value of the University Center for Cooperatives (UCC). Wisconsin should continue to be a leader in furnishing the best in cooperative research, teaching and extension.

We support the uniform curricula developed to meet certification requirements for cooperative education under state statutes. We urge Cooperative Network, the university system and Extension to provide educational programs to assist teachers or faculty in public and private institutions to meet certification requirements.

We urge all public and private schools including K-12 through post secondary to emphasize in their curricula at multiple grade levels the importance of cooperatives in the economy and the need for qualified cooperative personnel. This should strengthen the knowledge about cooperatives already urged through Wisconsin Statutes Chapter 118. (R/15)

GC 3.02 Federated Youth Foundation

The Federated Youth Foundation (FYF), Inc., is a tax exempt, 501(c)(3) foundation, established as a vehicle for receiving donations, contributions and gifts, including those resulting from unclaimed funds held by cooperatives and for using those funds for scholarships and charitable purposes. We strongly encourage all member organizations and others to join the FYF. (R/16)

GC 3.03 Good Government and Clean Politics

Public confidence in the integrity of government in Wisconsin has been eroded by unregulated campaign “issue” ads and materials filled with irresponsible accusations and character assassinations from front groups, uncontrolled and unprecedented spending and unchecked partisanship. Wisconsin needs to restore the public’s trust and return to its long tradition of good government and clean politics. Cooperative Network and Wisconsin cooperatives therefore call for:

- Real campaign finance reform;
- Full and immediate disclosure of the names of all organizations and individuals making campaign donations of any kind, and strong statutory penalties for any willful concealment or nondisclosure;
- A prohibition on fundraising by state legislators during scheduled floor periods of the Legislature;

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General Cooperative Resolutions – Wis.

- The inclusion of legislators in the “revolving door” prohibitions found in section 19.456(8) of the statutes. The change would require legislators who leave office to wait at least 12 months before receiving compensation to in any way influence members of the Legislature or legislative employees; and
- All such other steps as needed to once again make Wisconsin a model for good government.

We urge cooperative members to become active in groups that support campaign finance reform and we call on elected officials of both parties to give top priority to meaningful reform.

(R/13)

GC 3.04 University of Wisconsin System

In an increasingly competitive knowledge economy, it is critical that Wisconsin increase its number of residents who have higher education. Cooperative Network believes that the quality of instruction, research and public service at UW institutions will suffer if further erosion occurs in the state’s support of the UW System. In addition, the increases in tuition necessary to make up some of the diminished state support will prevent increased numbers of students from attending UW institutions. Accordingly, we call on the Legislature to increase its commitment to higher education and ensure that important UW initiatives aimed at strengthening Wisconsin and its economy receive sufficient financial support for the long term. (R/14)

GC 3.05 Great Lakes Compact Implementation

The Great Lakes Compact is a comprehensive management framework for achieving sustainable water use and resource protection in the eight Great Lakes states and two Canadian provinces. As Department of Natural Resources administrative rules are written to implement the compact, they include reporting requirements for those withdrawing an average of 100,000 gallons per day in any 30-day period, water use fees for those who withdraw 50 million gallons or more per year from the Great Lakes Basin, and conservation measures for new and increased withdrawals. Cooperative Network will work with its members and other stakeholders to make sure that the rules are not harmful or unfair to agriculture when regulating groundwater and surface water withdrawals, usage and reporting. (R/15)

Health Care Resolutions

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HC 1.01 Health Insurance

Cooperative Network supports cost-based health care and insurance systems that include strong incentives for efficient, organized health care delivery with increased access to care, promotion of primary care and prevention of illness, and maximization of appropriate levels of care in order to control cost while maximizing quality. The cost of health care should be contained through all mechanisms possible as long as such cost containment measures do not compromise the quality of care. (R/16)

HC 1.02 Medicare Discrimination

The federal Medicare reimbursement system currently pays most Midwestern and rural health care facilities less than their costs and pays most urban health care facilities more than their costs for providing the same services. These payment differences are giving urban health care facilities a competitive advantage over Midwestern and rural health care facilities and are threatening the economic viability of these important community health care institutions.

Therefore, Cooperative Network urges Congress to stop this harmful discrimination against Midwestern and rural health care facilities and to reimburse similar health care services at the same level of federal support regardless of where the service is provided. (R/13)

HC 1.03 Cooperative Health Maintenance Organizations

Cooperative Health Maintenance Organizations (HMOs) represent a viable means for citizens to obtain high quality, affordable health care on a prepaid basis. These HMOs serve their members as non-profit consumer cooperatives.

Cooperative Network supports the formation of a legislative environment which is conducive to the successful operation of cooperative HMOs, which give member-consumers an active voice in the administrative decisions of the HMO through direct election of officers. (R/14)

HC 1.04 Closed Panel HMOs

Cooperative Network recognizes the need for managed care plans to contract with health care providers that meet the plan's quality standards and conform to the cost containment strategies adopted by the plan. As long as managed care plans meet the access to care standards set forth in applicable state law, HMOs should be permitted to contract with all types of health care providers on a "closed panel" basis.

The underlying premise is that the bargaining power of HMOs to contract with only certain providers promotes competition, lowers costs and encourages prevention-oriented care. If all providers could join an HMO, incentives for efficient providers to offer competitive rates would disappear and the ability of HMOs to control quality would be reduced. Therefore, Cooperative Network supports all legislative efforts to keep competitive, closed panel provisions intact. (R/15)

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HC 1.05 Mandated Benefits

Cooperative Network supports the right of consumer-sponsored HMOs to determine the benefit plans they wish to offer their members. Expansion of benefits through government mandate interferes with market forces and aggravates a competitive inequity between state-regulated HMOs and the unregulated self-insured plans of many employers. Furthermore, mandated benefits add considerably to the cost of health insurance for all consumers, even those that do not utilize mandated benefits.

Cooperative Network opposes attempts to expand this mandate and force consumers to pay even more for health care. We encourage the creation of benefit packages that are comprehensive in scope (hospital, ambulatory and home health services) with reasonable benefit limits to allow for cost containment and reasonable pricing. Emphasis should be placed on prevention of illness and primary care over specialty and tertiary care. Benefits should be designed to address the overall health care needs of patients and not the needs or convenience of providers, payers or special interest groups. Technology assessment should be based on clear scientific guidelines to ensure that safe and efficacious drugs and procedures are appropriately added to benefit packages. Cost-sharing arrangements should allow for flexibility. (R/16)

HC 1.06 Tax Status of Consumer Cooperative HMOs

Cooperative HMOs operate on a non-profit basis. Each of these HMOs has utilized its income tax-exempt status to serve a pioneering role and broad purpose within its community. Cooperative Network urges the restoration of the income tax exemption for non-profit cooperative HMOs. (R/13)

HC 1.07 Taxation of Health Insurance Premiums

Cooperative Network opposes any direct or indirect taxation of the premiums of HMOs including Wisconsin Health Insurance Risk Sharing Plan (HIRSP) or Minnesota Comprehensive Health Association assessments as a tax on essential health care services required by the citizenry.

We further urge Congress to act immediately to make health insurance premiums paid by self-employed individuals fully deductible. (R/14)

HC 1.08 Rural Health Cooperation

Cooperative Network strongly supports rural hospitals, physicians and other health care providers acting together to promote the preservation and further development of a coordinated system of rural health care. Such a system will provide both quality and efficient care in settings that best meet the needs of rural residents in a manner consistent with their community values. Cooperative Network will utilize its collective strength to support rural health care and rural communities in both private and public sectors. It will represent the rural perspective on legislative and regulatory issues affecting rural health care and illness prevention with the political influence necessary to be an effective advocate. (R/15)

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HC 1.09 Rural Health Care Professional Shortages

We continue to face local shortages of physicians, nurses, physical therapists, laboratory technicians, pharmacists and other health care professionals. With “baby boomers” beginning to enter retirement age, we will be losing the service of these professions at the very time the demand for them will be increasing due to the aging population. On top of this growing supply problem, the redistribution of health professionals into rural areas has to continue to be addressed as a fundamental requirement of a viable rural health care system.

Cooperative Network supports innovative state initiatives to train and attract health care providers to rural areas. (R/16)

HC 1.10 Accessing Capital for Rural Health

Rural hospitals have been essentially locked out of national bond markets, the traditional source of remodeling and replacement capital. As rural hospitals are already on average substantially older than the national average, this lack of capital access is quickly becoming a critical barrier to maintaining a rural health network. Cooperative Network will promote programs for rural hospital physical plant improvements and equipment acquisition to ensure rural residents have access to modern medical technology. (R/13)

HC 1.11 Encouraging Cooperation and Collaboration in Health Care

Although there are many competing interests in the health care arena today, Cooperative Network lauds the many Minnesota and Wisconsin health care providers that have worked together to eliminate health care errors and improve health care delivery in our state. For example, consumer owned and operated HMOs have a proven track record of managing and containing health care cost increases.

We urge incorporation of successful cooperative models in health care reform efforts at both state and federal levels. Cooperative Network further supports health care reform initiatives that create incentives for employers, individuals, providers and insurers to participate in reform efforts as partners. (R/14)

HC 1.12 Cooperative Health Care Purchasing Alliances

The cost and availability of health insurance is one of the top concerns of many agricultural interests in Minnesota and Wisconsin, and greatly affects the quality of life of farmers, cooperative members and other small business owners who find themselves without adequate health coverage.

(Continued)

Health Care Resolutions

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3 To address this problem Cooperative Network began the Co-op Care project. The main goal of
4 the project is to provide uninsured or underinsured cooperative members, staff and small
5 businesses with better options for quality health care coverage. Co-op Care also targets the
6 cost of health care by reducing duplicative efforts, increasing competition and promoting
7 education and prevention programs.
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9 This project is based on legislation sponsored by the Minnesota Association of Cooperatives
10 that was successfully passed in the 2001-2002 Minnesota Legislature and enabling legislation
11 passed in Wisconsin as 2003 Wisconsin Act 101. Cooperative Network will continue to work
12 with all interested parties, including member cooperatives, health care providers, legislators,
13 state agencies and other interested trade organizations to promote the development of health
14 care purchasing cooperatives in Minnesota and Wisconsin. Cooperative Network will seek to
15 establish a legislative and regulatory environment that allows the formation and successful
16 operation of health care purchasing alliances. (R/15)
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20 **HC 1.13 BadgerCare and MinnesotaCare Eligibility for Ag Producers**

21 Wisconsin's BadgerCare program and Minnesota's MinnesotaCare program were created to
22 provide lower income working families with stable and affordable health insurance coverage.
23 The intent was to prevent sudden illnesses or injuries from driving families out of work and into
24 poverty.
25

26 Eligibility criteria for these programs require that farm equipment depreciation be calculated as
27 income, making it extremely difficult for even the lowest income producers to qualify for the
28 program. Cooperative Network supports efforts to change these eligibility requirements to
29 remove depreciation from the eligibility equation. (R/16)
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33 **HC 1.14 Health Care Reform**

34 Cooperative Network understands health care reform is one of the most complex challenges
35 facing our state and nation today. It is also one of the most critical issues to members across
36 cooperative sectors who struggle year after year with rising health expenditures.
37 Just as there is no single cause to rising health care costs, there is no single solution.
38 Comprehensive reform ideas, such as a single-payer health system, are extremely
39 controversial.
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41 Cooperative Network urges the Minnesota and Wisconsin Legislatures and the U.S. Congress
42 to support and encourage, through legislation and appropriations, thoughtful and innovative
43 ideas for improving our health care system. We support:
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(Continued)

Health Care Resolutions

- Ideas that empower small groups and individuals to negotiate better cost and coverage options for health insurance.
- Cost containment measures to address fraud, waste and costly duplication;
- Efforts to get consumers more involved in health care decision-making through improved education and data dissemination programs;
- Programs that emphasize prevention and intervention to help consumers manage illnesses, prevent injury and save money;
- Efforts to provide access to more affordable medications including group prescription purchasing pools and medication importation;
- Collaborative efforts to prevent medical errors and promote quality in the health care arena;
- Initiatives that will improve access and delivery in rural and underserved areas;
- Efforts to decrease the numbers of uninsured individuals in Minnesota and Wisconsin to lessen costs ultimately passed on to health insurance consumers;
- An adequate safety net for both the lowest income individuals and those who have been priced out of the private health insurance market;
- Adequate reimbursement rates for Medicare and Medicaid to ensure that those costs are not shifted to consumers;
- Efforts to remove inefficiencies in the health care system;
- Equity in the federal reimbursement rates for rural providers; and
- Pooling efforts through voluntary purchasing alliances. (R/13)

HC 1.15 Consumer Operated and Oriented Plan (CO-OP) Program

Cooperative Network supports full implementation of the Consumer Operated and Oriented Plan (CO-OP) program contained within Section 1332 of the Affordable Care Act and encourages the creation of new health care cooperatives across the nation. (R/16)

Housing Resolutions

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HO 1.01 Affordable Housing

Quality, affordable housing is a pressing need throughout the nation. Cooperatives have a long and rich history in providing accessible and affordable housing to individuals and families of all ages. Seniors in particular need options for independent living in supportive communities. Cooperatives also provide housing for students, artists, low-income families, and any individual or household interested in a home ownership opportunity in a supportive community atmosphere.

Cooperative Network encourages local, county and statewide governments to include cooperative housing in the master plans of their communities and their strategies for promoting economic growth in their respective regions. Communities are also encouraged to investigate the advantages of limited equity cooperative housing for families as a way to ensure affordable home ownership opportunities into the future.

Cooperative Network will also assist in the development of cooperative housing projects for senior citizens by working with Cooperative Development Services (CDS), local communities and other stakeholders interested in improving housing options for seniors. We urge government agencies and elected officials at the local, state and federal levels to assist in these efforts. (R/14)

HO 1.02 Rural and Urban Vitality

Seniors are a very important part of local communities, whether rural or urban. AARP figures show that at present, 75 percent of seniors enjoy an independent ownership living situation; 20 percent are living in independent living rental units; and just 5 percent are in dependent living rental situations. The growth of our senior population has been well documented, and the anticipated growth of baby-boomers needing alternatives to single family housing as they age will add pressure to a tight housing market in Minnesota and Wisconsin. Cooperative senior housing is unique in its appeal to seniors who might not otherwise move. Housing cooperatives are an excellent means of providing independent living for seniors. These well-designed buildings provide them with an equity investment, an active lifestyle, and the opportunity for strong community involvement, all conditions that are highly desired by seniors.

Cooperative Network encourages local, county and statewide governments to include senior cooperative housing in the master plans of their communities and their strategies for promoting economic growth in their respective regions. Educational programs for seniors are encouraged to include a careful study and review of this relatively new and very appropriate alternative for housing for our rapidly increasing senior population. (R/15)

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HO 1.03 Insurance for Senior Housing Cooperatives

Member-owners living in senior cooperative housing are enjoying an independent, social and secure lifestyle. These member-owners appreciate the advantages of senior cooperative life and the ability to contain costs. At issue is how cooperatives are categorized by the insurance industry. Senior housing cooperatives are included in the same insurance group as condominiums and town homes. Maintenance and safety records demonstrate that co-op member-owners are easier on wear and tear in the facility, thus lowering the maintenance costs and reducing loss control from an insurance perspective. The sense of pride in ownership is different at co-ops than condos and townhomes; co-op member-owners take a higher level of personal responsibility for their co-ops.

Cooperative Network urges the insurance industry to develop a distinct category for senior housing cooperatives that recognizes where these facilities are less risky for insurance purposes and distinguishes them from condominiums and town homes. This unique category would be beneficial to help control costs to seniors owning homes in senior cooperatives who are on limited incomes. (R/16)

Housing Resolutions – Minn.

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HO 2.01 Manufactured Home Park Conversion to Cooperatives

Manufactured home parks are a critical source of affordable housing across the state, particularly suburban and rural. There are over 1,000 manufactured home parks in Minnesota providing homes for approximately 125,000 people who have limited access to other housing options (predominantly working poor, limited income and seniors). This sector of housing exists with virtually no public subsidy; yet the loss of this housing could result in the need for significant public subsidy to replace these units. If a manufactured home park is closed, it would be extremely difficult to rebuild the same number of affordable homes. New Hampshire passed legislation authorizing manufactured home park residents the first right to purchase their homes as a cooperative if the property was to be sold. Since the passage of this New Hampshire law, the benefits are distinct: the quality of life is clearly improved for the new owners and the surrounding communities: the parks are better maintained, there is increased financial security, the safety is improved, and there is the ability to have equity in a home. Since the early 1980's, in New Hampshire, dozens of manufactured home parks have been converted into cooperatives and not one has defaulted on their loans.

Minnesota currently has a law that permits residents the first right of refusal when a park is to be closed for change of use (usually to commercial development). Although this law has been on the books since 1987, it has never been exercised (usually due to conversion from residential to commercial purposes; or conventional lenders are reluctant to provide residential conversion financing). While current law gives some protection to residents, it does not go far enough to give residents the opportunity of purchasing the park to convert it to cooperative ownership.

Cooperative Network supports the conversion of manufactured home parks into cooperatively owned and operated parks. This could be facilitated by following the New Hampshire example and amending current Minnesota law to permit residents to collectively match any offer for sale. (R/13)

HO 2.02 Financing of Cooperative Conversions of Manufactured Home Parks

One issue that has hampered the cooperative conversion of manufactured home parks has been the inability of residents to access appropriate financing. In general, commercial banks are reluctant to lend on this type of property. The conversion into a cooperatively owned park adds another layer of complexity.

Cooperative Network supports the allocation of state resources to guarantee long-term, low interest financing specifically for the purpose of converting manufactured home parks into cooperatively owned parks. (R/14)

Housing Resolutions – Minn.

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HO 2.03 Senior Housing Cooperative Independence

Senior housing cooperatives provide an independent, social and secure lifestyle for its member-owners. The cooperatives are directed and governed by a board of directors elected from and by the member-owners. Senior housing cooperatives enjoy an independent business status and, as with all cooperatives, are periodically required to file updates with the Minnesota Secretary of State. Senior housing cooperatives are opposed to any form of additional registration or regulation – voluntary or mandatory – especially if it has the potential of jeopardizing or in any way reducing the independence of these cooperative businesses or their members.

Cooperative Network opposes any legislation or regulatory efforts that attempt to recognize cooperatives in such a way that might provide impetus, whether or not intentional, for future registration or regulation. (R/15)

HO 2.04 Clarifying Statutes Governing Housing Co-op Director Liability

The liability of directors of Minnesota housing cooperatives is governed by two statutes, Minnesota Statutes Chapter 308A (“Cooperative Law”) and Minnesota Statutes Chapter 317A (“Nonprofit Corporations”), while the liability for directors of other Minnesota cooperatives, outside of credit unions, is solely governed by Minnesota cooperative law. This presents the possibility of statutory conflict in determining the duties and responsibilities of a Minnesota housing cooperative director. Furthermore, the Minnesota Legislature generally gives Minnesota cooperatives more deference when analyzing changes to the Minnesota cooperative law than they are to changes in the nonprofit corporations law. Therefore, Cooperative Network should explore drafting legislation that would make clear that the liability of Minnesota housing cooperatives is determined solely by the provisions of the Minnesota cooperative law. (R/16)

HO 2.05 Researching Development of Separate Housing Co-op Statute

Minnesota housing cooperatives are governed by both the Minnesota Cooperative Law, Minnesota Statutes Chapter 308A, and the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B. As a unique form of cooperative ownership, there is a growing need to adopt legal provisions that apply specifically to cooperative housing and to have them, where possible, in one place to read. Therefore, the staff of Cooperative Network, working with the Cooperative Housing Resources LLC, is requested to begin the process of analyzing whether specific legal provisions related to Minnesota housing cooperatives should be incorporated into a separate section of Minnesota Statutes Chapter 308A or whether a new Minnesota Statutes Chapter 308C should be created. Furthermore, where possible, staff should seek grants from outside grantors to help conduct this research. (R/13)

Housing Resolutions – Minn.

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HO 2.06 Sales Tax Exemption

Prior to the spring of 2009, Minnesota's senior housing cooperatives received sales tax exemptions under Minnesota Statutes Section 297A.70, subd. 4(a)(2). This statute generally provides that any senior citizen group for persons age 55 or older and operated on a not for profit basis is exempt from Minnesota Sales Tax. The 2009 Legislature amended the statute at the request of the Minnesota Department of Revenue and eliminated the provision permitting senior housing cooperatives to obtain a sales tax exemption. This short, but financially significant, provision was added to the 2009 Tax Bill in conference committee without prior notice to existing senior housing cooperatives or to Cooperative Network.

Cooperative Network supports the continued sales tax exemption for senior housing cooperatives. If feasible, Cooperative Network will pursue legislation to restore the sales tax exemption for new senior housing cooperatives. (R/14)

HO 2.07 Common Interest Ownership Housing Statute

Cooperative Network is concerned about any legislative changes affecting residential property rights provisions in the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, one of the statutes that govern Minnesota housing cooperatives. Cooperative Network urges legislators to oppose changes to 515B that would impede a co-op member's ability to govern their co-op, such as limiting physical access into co-ops, lowering the amount of consensus needed for votes on major decisions by members of co-ops from 80 percent to a simple majority, and eliminating the possibility of co-ops to assess liens on a unit in the case of violations of a co-op's governing documents or any other changes not in the best interests of cooperatives and their members. (R/16)

Insurance Resolutions

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IN 1.01 Mutual Insurance

Local mutual insurance companies were among the earliest forms of cooperative endeavors in Wisconsin and the U.S. Both statewide and local town mutual insurance companies have a significant role in Wisconsin's economy. Those operating on cooperative and mutual principles locally are true models of self-help and self-protection. In today's economic environment of constantly escalating costs and consumer attitudes, the local mutuals are an example of cost containment and consumer control in rural Wisconsin and Minnesota.

Recognizing the need for policy service, safety promotion, economic rural fire protection and economic insurance coverage on risks in sparsely populated areas, local and statewide mutuals must be allowed to operate within an atmosphere of minimum governmental regulation if they are to provide a "safety valve" and be a stabilizing factor in the rural marketplace.

Cooperative Network, therefore, urges that state and federal regulations impacting on both local and statewide mutuals recognize their inherent unique characteristics. We call for minimum regulations with input from representatives of the local and statewide mutuals. (R/15)

IN 1.02 Federal Regulation of Mutual Insurance Companies

The states have sole regulatory authority for the regulation of the business of insurance as provided under the McCarran-Ferguson Act, and reaffirmed by Section 104 of Title 1 of the Gramm-Leach-Bliley Financial Services Modernization Act as part of that regulatory scheme.

The town mutual insurance industry has served its diverse membership for decades in a uniquely responsive and competitive manner based on member ownership and local responsiveness. Similarly, small- and medium-size insurance firms have helped establish a sound, responsive industry in Wisconsin and Minnesota.

Recent federal efforts to remove many of the regulatory restrictions between banks and other financial services, could result in competitive advantage for those financial service industries at the expense of the insurance industry, especially if regulation is moved further from the market it serves.

Some national associations representing insurers and banks doing business in insurance have prepared draft federal legislation to either establish one federal regulator of insurance or allow for dual federal and state regulation.

Therefore, Cooperative Network supports maintaining the states as the sole regulator of the business of insurance, and continues to support state efforts to streamline and simplify insurance regulation.

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Insurance Resolutions

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3 Cooperative Network will oppose any proposal to establish either a federal or a bifurcated
4 system of regulation of insurance, cede any authority to federal agencies to regulate financial
5 institutions involved in the business of insurance, or otherwise pre-empt state regulation of
6 insurance. (R/16)
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9 **IN 1.03 National Flood Insurance Program (NFIP)**

10 Congress created the National Flood Insurance Program in 1968 to address the increasing
11 costs of taxpayer-funded disaster relief for flood victims and the increasing amount of damage
12 caused by floods. The unique nature of the flood peril makes a private market for flood
13 insurance infeasible due to adverse selection and concentration of risk in flood plains. The NFIP
14 serves an important role but is currently financially unsustainable and requires significant
15 reforms in order to continue providing flood protection to homeowners and businesses alike.
16

17 While flood insurance fills a need that the private market cannot serve, the same cannot be said
18 for wind coverage. The wind peril is already adequately covered by the private market. Despite
19 that, attempts have been made to add wind coverage to the NFIP.
20

21 Cooperative Network supports a long-term extension of the NFIP with changes that will charge
22 actuarially sound rates, eliminate subsidies, update and improve the accuracy of flood plain
23 maps, and discourage repetitive loss properties. Cooperative Network opposes adding wind
24 coverage to the NFIP. (R/16)
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27 **IN 1.04 Building Codes**

28 Stronger, safer building codes for Americans and their families can save lives, reduce property
29 loss, and reduce public disaster aid. The Building Code Coalition (BCC) has proposed that
30 congress create a financial incentive for states that adopt and enforce statewide building codes.
31 These incentives would increase the amount of federal monies available to a state under current
32 disaster relief legislation if that state follows and enforces building code standards.
33

34 Cooperative Network supports Congressional legislation, such as the Building Code Safe
35 Incentive Act (110th and 111th Congresses), that would encourage states to adopt and enforce
36 strong building codes and would increase federal disaster aid to states that adopt and enforce
37 stronger codes. (R/16)
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Insurance Resolutions

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IN 1.05 Small Mutual Investment Income

Small mutual property/casualty insurers were allowed in the Tax Reform Act of 1986 to elect to be taxed on their investment income rather than their total income. This allows these small mutuals to preserve more of their assets in their surplus for paying claims. However, the initial limit on written annual premiums has not been increased for inflation since 1986 and many small companies are nearing that limit.

Cooperative Network supports changing the Internal Revenue Code Section 831(b)(2) on investment income election to reflect the inflationary impact since its enactment in 1986. The change would increase the written premium level to adjust for inflation since 1986 with an annual cost-of-living index for future years. (R/16)

Insurance Resolutions – Wis.

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IN 3.01 Regulation of Mutual Insurance Companies

Cooperative Network is convinced that small insurers, individually and collectively, play a vital role in effectively serving the insurance needs of the public in Wisconsin, just as larger insurers do. We are also keenly aware that regulatory burdens can fall disproportionately on smaller insurers because the cost of compliance with regulation is more expensive as a percentage of written premium for small insurers.

Incorporating a Wisconsin Department of Insurance into the Department of Financial Institutions would negatively affect mutual insurers through loss of the independence that such an agency requires and would also infuse politics into regulation of mutual insurers which are already responsible to their customer/members.

Cooperative Network strongly opposes any merger of these two agencies and supports maintaining the Office of the Commissioner of Insurance as a separate agency to preserve the unique and separate regulation important to this industry and subsequently to all citizens.
(R/13)

IN 3.02 Changes in State Law Affecting Liability and Negligence Determination

Over the years, legislative proposals attempted to change existing law relating to determining liability, fault and jury instructions.

Some of the suggested provisions would allow certain defendants to be held liable for all of the damages in negligence lawsuits, combine the fault of all defendants and require jury instructions that would promote monetary awards based on ability to pay, rather than on the degree of responsibility for harm to a plaintiff.

Such changes to existing law would raise insurance rates, making it more difficult to obtain insurance and appropriate coverage. It would also expose entities with perceived resources such as insurance or money to more lawsuits and increased litigation costs.

With the help of the Civil Justice Coalition, which includes Cooperative Network, these measures were defeated in the past but are expected to be re-introduced in the future.

Cooperative Network opposes any legislative effort to change liability provisions in existing law.
(R/15)

Telecommunications Resolutions – Wis.

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TE 3.01 Intercarrier Compensation Reform and National Broadband Plan

Cooperative Network supports efforts encouraging the Federal Communications Commission (FCC) to orient the Universal Service Fund (USF) toward broadband-capable networks and to modify certain of the existing mechanisms to enhance performance and improve sustainability.

As the FCC undertakes rulemaking regarding USF and intercarrier compensation (ICC) reform, numerous associations representing the telecommunications industry have offered a balanced plan for USF and ICC reform that would avoid dramatically damaging universal service in rural areas served by rural rate-of-return carriers, while still accomplishing the fundamental principles of reform identified in the FCC's Notice of Proposed Rulemaking.

Cooperative Network supports the reform roadmap and recommendations to the FCC provided by the joint national, regional and state associations and calls on the FCC to:

- Immediately address long-standing disputes involving application of ICC rules to all traffic originating from or terminating to switched networks (regardless of technology), call signaling requirements, access stimulation, and non-payment issues;
- Adopt several carefully-targeted measures reasonably designed to constrain the recovery of capital investments and operational expenditures from federal universal service mechanisms on a prospective basis, without harming rural consumers, hampering broadband deployment efforts, hindering the ability to recover costs associated with prior investment under existing rules, or undermining the continuing availability and affordability of services in rural America;
- Set up a process to unify intrastate switched access rates with interstate rates by company, along with the critical component of this transition that any such ICC rate reductions be coupled with an appropriately-designed restructure mechanism that enables rural local exchange carriers to recover the lost access revenues; and
- Avoid arbitrary and artificially designed long-term rate-setting goals like "bill and keep" or a uniform rate applicable to all carriers. (R/15)

Utilities & Related Services Resolutions

1 2 3 **UT 1.01 Advanced Renewable Tariffs or Feed-in-Tariffs**

4 Feed-in tariffs, also known as Advanced Renewable Tariffs (ARTs), require payment for
5 specified renewable generation at the price needed to provide the investor a “reasonable” rate
6 of return, which is higher than avoided cost and may be higher than retail rates. The more
7 ineffective and inefficient the renewable project, the higher the subsidy from all other ratepayers.
8

9
10 Utilities need efficient and predictable sources of energy that are cost-effective and can be
11 reliably interconnected. ARTs provide incentives to develop renewables in areas not necessarily
12 best suited for interconnection of transmission, raising costs.
13

14 ARTs would have significant impact on electric co-ops:

- 15
- 16 • Because co-op areas have a higher concentration of farms, we are likely to see greater
17 interest in renewable projects but we also have a smaller pool of ratepayers over whom
18 to spread the higher costs
- 19
- 20 • One member would be forced to subsidize another member, which is contrary to co-op
21 philosophy
- 22
- 23 • Smaller farms would almost certainly be subsidizing larger ones and certain types of
24 agricultural operations would subsidize other types of operations
- 25
- 26 • Depending on how it was structured, a state regulatory agency could set rates for co-op
27 members, taking away the basic right of self governance by a democratically elected
28 local cooperative boards of directors
- 29
- 30 • ARTs could potentially alter wholesale power contracts with other investor-owned utilities
- 31
- 32 • Co-ops would have to cover costs of additional distribution lines and connections
- 33

34 Advanced renewable tariff legislation is redundant from a policy standpoint in light of the existing
35 state law establishing a renewable portfolio standard. Not only do these mandates for
36 renewable energy exist, grants and tax credits of various types are available to subsidize
37 renewable development. If the purpose of creating ARTs is to increase use of specific
38 renewable energy technologies and limit carbon emissions to benefit the entire state, then the
39 costs associated with them should be shared by all state residents as well.
40

41 Cooperative Network opposes rules or legislation creating ARTs intended to provide a profit for
42 investors, which is essentially paid by not-for-profit electric cooperative members. (R/16)
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Utilities & Related Services Resolutions

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UT 1.02 State Regulation of Utility Cooperatives

Cooperatives are governed and controlled directly by the customers they serve. Cooperative Network believes that additional regulation of telecommunications, electric generation, transmission and distribution cooperatives by state and/or federal regulatory bodies should only be considered after an affirmative vote of the cooperative members. (R/13)

UT 1.03 Service Territory Protection

We reaffirm the right and responsibility of all electric cooperative systems to serve those areas in which they initiated or were assigned service and continue to provide service or maintain facilities. Cooperative Network strongly opposes the imposition of conditions or restrictions which disadvantage the cooperatives in extending or continuing service as compared to other electric utilities, subject to state laws preventing duplication of electric facilities.

Acquisition of electric cooperative service territory by other entities reduces the vitality of the cooperative and its ability to meet loan obligations and maintain reasonable rates for remaining consumers. The State Public Service or Utilities Commission should be the governing body on territory disputes. Entities taking cooperative utility assets must have consent of the cooperative utility and provide equitable compensation, paid to all affected cooperatives reflective of the economic loss suffered over future years and for all facilities constructed to serve present and future customers in the affected area. (R/14)

UT 1.04 Clean Air and Water Regulations

Cooperative Network urges Congress and the state Legislatures to take actions necessary to protect the interests of cooperatives and their members by ensuring that clean air and water regulations and programs are cost-effective, sensible and address scientifically demonstrable and significant environmental principles. (R/15)

UT 1.05 Nuclear Power

Cooperative Network encourages policymakers to rescind the moratoria on the building of nuclear plants so that nuclear energy can be considered a viable option for baseload electric energy, providing diversity in the energy supply.

We support research and development of new nuclear technologies. We support removing the barriers prohibiting the reprocessing of commercial spent nuclear fuel in order to safely and efficiently utilize the remaining available energy and reduce storage volume. We urge the federal government to properly fund and license the Yucca Mountain or other National Repository for High Level Waste to meet the promise of the federal government dealing with this problem. In the short term, we support public or private centralized interim storage to allow shutdown plants to complete the decommissioning process. (R/16)

Utilities & Related Services Resolutions

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UT 1.06 Transmission

Cooperative Network is committed to maintaining reliable and reasonably priced electric service to our member cooperatives and the ultimate consumer. Because of this commitment, we support improvements, expansion and interconnectedness of the electrical transmission grid in the Midwest.

We will continue to encourage the wise use of energy, while recognizing that conservation initiatives alone cannot adequately solve our supply problem especially with increasing demand for electricity and expanded use of renewable sources of energy.

Cooperative Network resolves to work with legislators, regulators and the general public toward achieving the most responsible outcome that will result in an electric supply system that meets the demand for reliable and affordable electric power. (R/13)

Utilities & Related Services Resolutions – Minn.

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UT 2.01 Right of Eminent Domain

Cooperative Network believes the right of eminent domain for public purposes is necessary for electrical systems, telecommunications, and fuel distribution-systems. (R/14)

UT 2.02 Taxation of Electric Cooperatives

Cooperative Network opposes legislation that would result in a shift or addition of taxes from investor-owned utilities to electric cooperative or municipal utility customers. Cooperative Network also opposes the imposition of carbon impact fees as a means to raise revenue. (R/15)

UT 2.03 Renewable Energy Tags

In the use of renewable energy, developers and policy makers have created a public policy that identifies energy generated by a renewable energy project as having an “environmental attribute” generally referred to as “renewable energy (RE) tags.” Today these RE tags are being sold to individuals and businesses throughout the country who wish to have a “green” footprint.

These “green tags” are being sold as a commodity on a trading basis with a system that insures that a “green tag” is not sold or counted twice. In an effort to spur renewable energy development, mainly wind energy development, many states have adopted Renewable Portfolio Standards (RPS). An RPS is a requirement that a portion of the energy that a utility sells must come from renewable sources. In states where there are no RPS requirements, utilities with renewable resources can sell the “green tags” and use the money in any way the utilities wish. However, in states like Minnesota with an RPS requirement, the utility is required to retain and not sell the “green tags” it generates as a means to meet the RPS requirement which in Minnesota is up to a 25% requirement for most electric utilities.

Cooperative Network advocates, in the case where the utility responsible for meeting the RPS owns the renewable generation or through a purchase power agreement acquires the “green attribute”, the adoption of a new public policy. This policy would enable utilities to sell “green tags” regardless of a state or other RPS requirement. Where an RPS requirement exists, revenue from the sale of these “green tags” would be required to be used by the selling utility to promote and provide incentives for energy efficiency and conservation. The utility would also be allowed to count the “green tag” as having met the RPS requirement as the physical asset is in place to deliver the energy to the load center. (R/16)

UT 2.04 Coal Generation

Cooperative Network supports rescinding the Minnesota state moratorium on new coal-fired electricity generation. (R/13)

Utilities & Related Services Resolutions – Wis.

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UT 3.01 Nuclear Fuel Reprocessing and High Level Nuclear Waste Disposal

The federal government's failure to formulate and implement specific programs for the processing of spent nuclear fuels and for the permanent storage of nuclear wastes is inconsistent with policies in place when rural electric cooperative nuclear generating facilities were built. This policy change has burdened utilities with substantial unexpected costs of prolonged storage of high level radioactive waste and spent nuclear fuel.

Cooperative Network urges the Department of Energy, Congress, and the President to work diligently to fulfill their obligation to open a federal repository in a timely fashion and to work on creating a reprocessing option, as well. Until a permanent storage facility or reprocessing option is available, our federal elected officials should work with utilities to develop alternatives, including public or private centralized interim storage for spent nuclear fuel—giving special consideration to those nuclear facilities that are shut down, particularly nuclear power demonstration facilities such as Dairyland Power Cooperative's La Crosse Boiling Water Reactor (LACBWR). (R/14)

UT 3.02 Energy

Rural electric systems have been leaders in the development of innovative energy-efficiency programs for the benefit of their consumers and in support of the national commitment to more wisely use our national resources. Congress has adopted a national energy policy and overall framework for individual policies consistent with multiple goals such as environmental protection, competitive energy rates, and a broader base of energy suppliers.

As a result of the 1992 Federal Energy Policy Act, the Federal Energy Regulatory Commission (FERC) must adopt rules to implement various provisions of the Act. We urge FERC to adopt fair policies in areas such as transmission access pricing, reimbursement for stranded investment, and implementation of independent system operators. (R/15)

UT 3.03 Alternative Energy

Cooperative Network members believe in using diverse sources of energy for electricity production, including alternative sources such as methane, wind, solar power, biomass, hydro, biofuels and other technologies.

We acknowledge that the future availability of electricity is dependent on continued use of proven methods of energy production. Traditional sources and proven methods of energy production should not be abandoned until alternative sources are sufficiently effective, reasonably reliable and comparatively cost-efficient. (R/16)

Utilities & Related Services Resolutions – Wis.

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UT 3.04 Electric Restructuring and Retail Competition

Energy users in Wisconsin enjoy excellent service and among the lowest electric bills in the country. Low electricity costs are part of the reason for the success of Wisconsin's economy. Dependable, affordable, central station electricity is the very lifeblood of our economy, affecting all segments of society and the competitive viability of our region.

Cooperative Network is concerned by efforts on both the state and national levels to restructure the electric utility industry without providing adequate infrastructure or appropriate safeguards for all consumers. In particular, we are concerned about radical deregulation with open retail competition. Without safeguards, these changes to our electric system may result in degradation of system reliability, and negatively affect long-range planning and the ability to provide reliable service to remaining ratepayers at a reasonable cost. Such efforts, whether on a state or national level, threaten to damage individual consumers and our entire state economy.

Recently, we have seen the negative effects of radical restructuring of the electric system, without adequate consumer protection measures. The state of California serves as an example of how poorly developed public policy can harm electric reliability and devastate ratepayers. We have also seen how an unregulated competitive marketplace in electric trading can result in dramatically negative economic outcomes, as in the financial manipulation and ultimate bankruptcy of the Enron Corporation.

Given the importance of this issue, Cooperative Network supports essential provisions in any legislation relating to industry restructuring to insure that consumers are protected, and that our electric system is not placed at risk, endangering not only our economy, but public health, safety and welfare. The essential provisions we support are:

- All consumers must be treated equally.
- When stranded costs are to be recovered, they should be recovered in a competitively neutral manner, without placing an undue burden on residential and small business customers.
- All energy providers—not just utilities—must be subject to the same standards as utilities.
- All consumers must have universal access to affordable electric service. Reliability and safety must not be jeopardized.
- Exclusive distribution service areas must be maintained to avoid duplication of electrical facilities.

(Continued)

Utilities & Related Services Resolutions – Wis.

- There must be a transition and educational period before full consumer choice is implemented.
- Restructuring should not operate to divest retail end use consumers of rural electric cooperatives of their ownership interest in and control of their distribution, generation and transmission cooperatives either by restricting the rights of distribution cooperatives to provide services to their retail end use consumers, or otherwise. (R/13)

UT 3.05 Energy-Related Research

America's energy future and economic health are dependent upon the federal government's consistent and aggressive involvement in energy-related research and development, and upon its ability and willingness to maintain continuity in its research efforts.

Rural electric cooperatives are ready and willing to carry their fair share of the research burden. They have been participating in major research and development efforts through their voluntary contributions to the Electric Power Research Institute (EPRI) and the NRECA Cooperative Research Network. However, Cooperative Network urges the federal government to fund energy research activities. (R/15)

UT 3.06 Mercury Reductions

The Wisconsin Department of Natural Resources (DNR) adopted a rule revision (N.R. 446) requiring 90 percent reductions of mercury emissions by 2015 by eight utilities including Dairyland Power Cooperative. This rule revision will increase the cost of providing electricity while having minimal effect on mercury deposition in Wisconsin lakes and waterways.

Mercury circulates in the atmosphere globally: even modest reduction of mercury deposition in the waters of this or any other state will require application of a nationwide or global standard rather than a single-state rule.

In 2004, the DNR, Wisconsin utilities and the relevant legislative oversight committees agreed to implement Wisconsin's original N.R. 446, a 75 percent single-state rule. At that time, the understanding was that Wisconsin's rule would be made to conform with a pending federal 70 percent rule, once that rule was promulgated.

In 2005 the Environmental Protection Agency (EPA) promulgated its Clean Air Mercury Rule (CAMR). DNR administrative rules required reconciliation of the more stringent state rule with the federal rule by September 2006. In 2008, an appellate court vacated the federal CAMR, leaving no standard with which to reconcile the Wisconsin rule and, coincidentally, allowing the DNR to advance its policy preferences in a state only rule.

(Continued)

Utilities & Related Services Resolutions – Wis.

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3 Independent scientific investigations by the utility industry, state, and federal regulatory
4 agencies show no version of the state rule would reduce mercury deposition in Wisconsin more
5 effectively than compliance with CAMR as originally promulgated. An analysis by the EPA,
6 moreover, asserts that the already minimal health risks associated with mercury emissions
7 would be eliminated by a 70 percent reduction, whereas a 90 percent reduction will add only
8 compliance costs, contributing no additional health protection.
9

10 Cooperative Network therefore calls on the Wisconsin Legislature and its oversight committees
11 to evaluate the success of emission reduction measures adopted to date in reducing mercury
12 deposition in Wisconsin waters and to encourage a realistic approach appropriately taking into
13 account the national, international and non-human induced aspects of mercury deposition.
14 (R/16)
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18 **UT 3.07 Electric Space Heating**

19 In many rural areas electric heat systems offer comfort, safety, lower cost, efficiency, renewable
20 sources, and versatility like no other fuel. In addition, advances in technology allow electric heat
21 systems to utilize geothermal or air-source heat pumps, radiant heating panels, thermal storage
22 and other means of heating.
23

24 Cooperative Network believes homeowners should be allowed to choose their heating system
25 rather than have it dictated by a governing body or a code advisory committee such as the
26 International Energy Conservation Code (IECC) Council.
27

28 We support administrative rule-making changes, which will provide fair treatment of all fuel
29 sources and encourage fuel diversity and conservation. Cooperative Network urges state
30 regulators to maintain the software necessary to accurately credit electric heat systems when
31 determining code compliance.
32

33 Cooperative Network opposes any legislative or regulatory restrictions on the use of electric
34 space heating systems. (R/13)
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37 **UT 3.08 Electrician Licensing/Farm Wiring Inspections**

38 Wisconsin farmers and rural residents deserve the highest quality professional electric services;
39 therefore, Cooperative Network supports the continuation of a statewide program of electrical
40 inspection for residential, farm, commercial, and industrial properties. We also support a
41 requirement that all electricians and electrical contractors be licensed by the state.
42

43 Cooperative Network urges state legislators to authorize adequate staffing and sufficient funding
44 for state wiring inspections and electrician licensing programs. (R/14)
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