



## **2016 Resolutions**

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**Preamble**  
**Cooperative Network Organization and Purpose**

- (A)** Cooperative Network is organized on a cooperative basis under Minnesota cooperative law, Chapter 308A, to advance the cooperative form of governance through the following primary activities:
- (1) Provide legislative and regulatory representation for member cooperatives primarily at the state capitols in Madison and Saint Paul, and in Washington, D.C. when requested by members;
  - (2) Provide education to members on governance, financial, human resources, and other issues to ensure cooperative boards, management and staff have the tools to function in accordance with relevant federal and state laws and regulations and to provide education to youth to develop our future cooperative leaders;
  - (3) Provide communications resources to member cooperatives to help ensure cooperative businesses have the tools to effectively communicate the benefits of operating as a member-owned cooperative with the general public, policy makers, the media, and their own member-owners; and
  - (4) Provide environmental, technical, and other consulting services to member cooperatives as requested.
- (B)** Cooperative Network is a broad-based association of cooperative businesses from across the cooperative spectrum, including but not limited to electric and telecommunications utility; agricultural production and processing; farm supply; grain and fuel; livestock; Farm Credit; credit union; senior housing, education; health care; mutual insurance; grocery; consumer; transportation; and worker-owned cooperatives;
- (C)** Consistent with Cooperative Network's articles and bylaws, membership is open to all cooperatives operating in Minnesota and Wisconsin and those businesses operating under cooperative principles in the two states;
- (D)** Cooperative Network conducts its operations consistent with its federal tax filing status as a non-for-profit organization.
- (E)** Cooperative Network's Board of Directors exercises its policy-making and oversight authority and regularly engage in strategic and succession planning;
- (F)** Cooperative Network maintains written agreements certain cooperative associations that commit it to deliver certain services as identified in those agreements, including providing government affairs, communications and education services to the members of those organizations;
- (G)** Cooperative Network is the official government affairs representative of the Wisconsin Farm Credit Legislative Committee;
- (H)** Cooperative Network partners with the University of Wisconsin-Madison Center for Cooperatives (UWCC) in the operation and administration of the Great Lakes Cooperative Center, a cooperative development center funded in part by the U.S. Department of Agriculture's Rural Development Service;
- (I)** Cooperative Network partners with the UWCC, the U.W-Madison College of Agricultural and Life Sciences, University of Wisconsin Extension, the University of Minnesota College of Food, Agricultural and Natural Resources Sciences, and University of

Minnesota Extension -- along with other public and private college and university partners -- to advance the cooperative form of business;

- (J)** Cooperative Network operates as a non-partisan organization with a politically diverse board of directors and membership and is committed to the policy of not endorsing candidates for partisan elective office;
- (K)** Cooperative Network's Board of Directors and staff are committed to a high standard of ethics in the conduct of its government affairs program in Minnesota and Wisconsin;
- (L)** Cooperative Network maintains political action committee (PAC) and conduit accounts for the purposes of supporting lawmakers and candidates for state office who demonstrate a commitment to the cooperative form of governance and/or to issues of importance to cooperative businesses. Decisions on which state candidates to support are based on the analysis and decisions conducted by PAC committees annually appointed by the Cooperative Network board chair and approved by the Cooperative Network Board of Directors;
- (M)** Cooperative Network ensures its state PACs and conduits meet or exceed the reporting requirements of state law;
- (N)** Cooperative Network shall ensure, to the greatest extent possible, its PAC contributions are used to support candidates for state office who have demonstrated a history of support for cooperative businesses;
- (O)** Cooperative Network's Board of Directors is committed to hiring and retaining a highly qualified President & CEO to effectively carry out the policies adopted by the Cooperative Network Board of Directors and membership;
- (P)** Cooperative Network's government affairs staff members are hired by the Cooperative Network President & CEO with a view towards operating an effective, bi-partisan government affairs team that enjoys a strong reputation for honesty and effectiveness at the state capitols in Madison and Saint Paul and in Washington, D.C.;
- (Q)** Cooperative Network's educational, communications, technical and administrative services staff are hired with a view towards providing such services to members in a professional, effective and efficient manner; and
- (R)** Cooperative Network is committed to advancing the cooperative form of business to the greatest extent possible within the limits imposed by available financial and staff resources.

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**Note:**

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





# Agriculture Resolutions

## **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. Cooperative Network opposes all efforts to weaken the right of farmers to act together to form and join agricultural cooperatives. (R/20)

## **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 losses 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/17)

## **AG 1.03 Agriculture Education and Rural Careers**

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. Cooperative Network urges the development of training and education assistance programs for farmers and rural residents and continued funding for technical colleges, Extension and other higher education. 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/18)

## **AG 1.04 Insurance/Revenue Assurance**

Cooperative Network endorses Federal Crop Insurance/revenue assurance and the newly created Margin Protection Plan for Dairy 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/19)

## **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/20)

# Agriculture Resolutions

## **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 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/17)

## **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/18)

## **AG 1.08 Integrity of Organic Agriculture**

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/19)

# Agriculture Resolutions

## **AG 1.09 State Agricultural Statistics and USDA Reports**

Individual county information on crop production and livestock 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/20)

## **AG 1.10 Technology and Agriculture**

Cooperative Network supports continuing and expanding research into new alternative agricultural methods and products including biotechnology that holds promise for improving agricultural efficiency and profitability. Reasonable protection for public and environmental safety of a particular technology is provided by regulatory agencies such as the Food and Drug Administration, Environmental Protection Agency and others. Farmers themselves are in the best position to judge the efficiency and profitability of new technologies that are approved by regulatory agencies. Once approved, farmers as individuals should have the freedom to accept or reject the adoption of any particular technology. (R/17)

## **AG 1.11 Agricultural Stewardship**

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

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

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

Cooperative Network urges Congress to take actions necessary to protect the interests of cooperatives and their members by ensuring that Clean Air Act and Clean Water Act regulations and programs are cost-effective, sensible and address scientifically demonstrable and significant environmental principles. (R/18)

# Agriculture Resolutions

## **AG 1.12 Water Quality Cost Sharing**

Cooperative Network supports maintaining and improving the quality of the state's waters. When a state is implementing a state water quality program, Cooperative Network supports the concept of a water quality cost-sharing program or programs like the Environmental Quality Incentives Program (EQIP), administered by the federal Natural Resources Conservation Service (NRCS), which provides resources to farmers working to reduce erosion and animal waste runoff. Cost sharing should be available to producers who install buffer strips. We urge NRCS to maintain a financial commitment to soil conservation compliance, and to develop and use standards that are compatible with and coordinated with agricultural performance standards. (R/19)

## **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/20)

## **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. We support the timely reporting of animal abuse to the proper authorities.

Further, Cooperative Network supports initiatives for livestock and poultry care standards that are based on sound veterinary science, sound information, economic feasibility, and best management practices, and strongly opposes laws and regulations that would undermine the livestock industry and that are not administered by the departments of agriculture. (R/17)

# Agriculture Resolutions

## **AG 1.15 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.

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

Cooperative Network opposes 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.

Cooperative Network opposes 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. In addition, Cooperative Network wants the use of milk on labels only in products that meet the definition of milk.

Cooperative Network urges the Federal Trade Commission to oppose any efforts by the European Union to establish Geographic Indicators in the labeling of food products. (R/19)

## **AG 1.16 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/20)

## **AG 1.17 Inspection Programs 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/17)

# Agriculture Resolutions

## **AG 1.18 Food Safety**

It is in the best interest of the public to have a safe and high quality food supply. Cooperative Network commends 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/18)

## **AG 1.19 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.

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 efforts to reduce the container size of dairy products and to reduce choices in school nutrition programs, especially dairy products, and encourages the use of yogurt and low fat flavored milk in school nutrition programs. Cooperative Network supports efforts to expand choices of dairy products as recent studies have shown that the fat contained in dairy products is healthy. 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/19)

## **AG 1.20 Ice Cream and Milk Standards**

Cooperative Network opposes the use of non-dairy protein sources in ice cream. (R/20)

# Agriculture Resolutions

## **AG 1.21 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). 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/17)

## **AG 1.22 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 including the Minnesota Dairy Growth Alliance (MDGA). (R/18)

## **AG 1.23 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/19)

## **AG 1.24 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/20)

## **AG 1.25 Federal Dairy Policy**

Cooperative Network recognizes that the U.S. dairy industry is a national industry. As such it is essential that we have a comprehensive, national dairy policy that addresses the needs of producers in all regions and does not discriminate against producers on the basis of location or size of dairy operations. (R/17)

## **AG 1.26 Marketing Order Program Regulation**

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

Cooperative Network proposes a requirement that a preliminary economic impact analysis be produced and submitted into the hearing record before any marketing order is altered or eliminated by federal government action. Cooperative Network supports allowing farmer cooperatives and their elected boards of directors to bloc vote on behalf of their farmer members as provided under existing law. (R/18)

# Agriculture Resolutions

## **AG 1.27 Grain Standards**

Cooperative Network joins with grain producers around the nation and their organizations in calling for more uniform application of U.S. grain standards. (R/19)

## **AG 1.28 Below Cost Selling/Unfair Sales Act**

Cooperative Network urges the Minnesota Legislature to maintain the statutory prohibition against selling motor fuels below cost and urges the Wisconsin Legislature to maintain the Unfair Sales Act. Without the protection of these laws, many motor fuel retailers would be threatened. Consumers would end up with less competition in the marketplace and eventually may be hurt by higher motor fuel prices. Cooperative Network urges the Legislatures and Administrations to appropriate funds sufficient to adequately enforce the law. (R/20)

## **AG 1.29 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/17)

## **AG 1.30 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 Milk and Dairy Beef Residue Prevention Manual, a 10 point milk quality assurance program.

The Food and Drug Administration (FDA) approved numerous manufacturers' tests for use by processors in screening and confirmation for the presence of drug residues at the milk intake. 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 tests 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/19)

## **AG 1.31 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/20)



# Agriculture Resolutions

## **AG 1.32 Agriculture Business Climate**

Minnesota and Wisconsin have undergone drastic changes in the agricultural sector.

Farmers have too much invested in cooperative facilities to risk losing them. Cooperative Network urges legislative and administrative initiatives that:

- Provide favorable economic and organizational and regulatory 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/18)

## **AG 1.33 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/20)

## **AG 1.34 Point Source Phosphorus Regulations**

Over the years, Wisconsin and Minnesota dairy processing plants have implemented cost effective technology in order to reduce phosphorus levels in processing waste 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.

As nutrient trading programs are developed, cooperatives should be able to work with their members to comply with any nutrient trading program directed at reducing cumulative phosphorus discharges. (R/20)

# Agriculture Resolutions

## **AG 1.35 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; and any sanctions against employers who unknowingly hire illegal immigrant workers or implications that would impede their ability to hire. Cooperative Network supports the availability of a legal and stable year-round workforce. (R/20)

## **AG 1.36 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/20)

## **AG 1.37 Preservation of Agricultural Land**

Population growth in suburban and rural settings has consumed increasing amounts of productive farmland in Minnesota and 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 this region's farms and rural lifestyle. Farms generate far more revenue than they consume in services.

While 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.

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# Agriculture Resolutions

State Legislatures have provided new tools to protect and enhance working agricultural lands, including the Green Acres Program in Minnesota and the Farmland Preservation Program (FPP) and Agricultural Enterprise Areas (AEAs) in Wisconsin.

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/17)

## **AG 1.38 Interstate Winery Shipments**

Wineries in Wisconsin and Minnesota are experiencing business growth and national recognition for the quality of their wines. In the 2007-2008 Wisconsin legislative session, small winery cooperative wholesalers were authorized for the purpose of selling and distributing wine manufactured, blended, mixed, or bottled by its members. Membership in these cooperatives is allowed for out-of-state small wineries. Wineries benefit when their product is allowed to move in interstate commerce. Minnesota law does not allow Wisconsin-produced wine to be distributed in their state, other than through a licensed Minnesota distributor. Illinois has an out-of-state winery shippers' permit that allows Wisconsin or other state's produced wine to be distributed in Illinois. Cooperative Network will advocate for an out-of-state shippers permit to be created in Minnesota to benefit small wineries. (R/17)

## **AG 1.39 Commodity Promotion Programs**

Cooperative Network urges the continuance of all appropriations and programs for promotion of Minnesota and Wisconsin agricultural products in in-state and out-of-state markets. (R/19)

# 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/19)

## **AG 2.02 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/17)

## **AG 2.03 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.

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# Agriculture Resolutions – Minn.

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 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.

Cooperative Network supports state-wide standards for environmental permitting and encourages the Legislature to continue to improve the environment for livestock siting, and opposes moratoriums on the construction of livestock facilities. We urge 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/18)

## **AG 2.04 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/19)

## **AG 2.05 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 producers to drain farmland for agricultural production purposes or restrict the ability to repair or improve existing drainage systems. Cooperative Network supports the current state wetland exemptions for agricultural land. We oppose any further public purchase of private land and prefer a no net loss of private land. Cooperative Network has concerns on the impact to farms of the Clean Water Restoration Act. (R/20)

## **AG 2.06 MPCA Citizens' Board**

Cooperative Network opposes the re-creation of the Minnesota Pollution Control Agency (MPCA) Citizens' Board. (R/20)

# Agriculture Resolutions – Wis.

## **AG 3.01 Cabinet Form of Government**

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

Cooperative Network goes on record in support of the continuation of DATCP and the DNR as agencies under the direction of part-time citizen boards with restoration of board authority to appoint the secretary. (R/17)

## **AG 3.02 Energy and Alternative Fuels**

Cooperative Network believes federal and state policy makers should ensure appropriate priority is given to the agriculture sector. We encourage agricultural groups and farmers to construct and operate energy production facilities in the state utilizing corn, whey, bio-mass, agricultural and livestock waste and other Wisconsin products. Cooperative Network calls upon the Governor and State Legislature to provide incentives for the development and increased use of these state-produced energy sources, in a way that is fair and equitable to all consumers. (R/18)

## **AG 3.03 Right to Farm**

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

Past support for agricultural operations includes legislation enacted by the Wisconsin Legislature in 1996 that protects farmers' rights and limits the financial and other impacts of nuisance claims initiated by others against farming activities. Cooperative Network will support and may act in defense of challenges to right to farm, including lawsuits against individual producers and broader based efforts that would undermine both principle and intent of the law.

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/20)

# Agriculture Resolutions – Wis.

## **AG 3.04 UW Board of Regents Agriculture Representative**

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

For these reasons, Cooperative Network encourages the governor to ensure that the UW Board of Regents always has at least one well-qualified representative of agriculture serving on this important policy board at all times. (R/18)

## **AG 3.05 Fairs and Expositions**

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

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

Cooperative Network supports continued state funding for World Dairy Expo. (R/19)

## **AG 3.06 Food Quality Protection Act**

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

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

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# Agriculture Resolutions – Wis.

Based on the evaluations, commodity-based teams of grower organizations, suppliers and university researchers are identifying, developing and promoting safe and profitable alternatives to FQPA targeted pesticides. The project is also working on private sector, market-based opportunities to cover the increased cost of production inherent in adopting reduced-risk production strategies. Cooperative Network supports the project since it is important to farmers and consumers and calls upon all who are contacted by the research outreach efforts to participate in the project. (R/17)

## **AG 3.07 Animal Disease Control**

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

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

Cooperative Network supports increased research and improved testing programs emphasizing the use of the Wisconsin Veterinary School and the Wisconsin Veterinary Diagnostic Laboratory. (R/18)

## **AG 3.08 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/19)



# Agriculture Resolutions – Wis.

## **AG 3.09 Performance-Based 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. Cooperative Network supports a DATCP administrative rule that provides for a performance-based alternative to routine inspection of Grade A dairy farms. (R/20)

## **AG 3.10 Producer Security**

The Agriculture Producer Security (APS) fund in Wisconsin provides a safety net to agriculture producers. Upon a default by a company, it is in the best interest of producers and the fund to make every attempt to recover losses that are experienced. A mechanism should be made available through the state Department of Agriculture, Trade and Consumer Protection or the Department of Justice to allow producers to join together in an effort to recover these losses.

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 is limiting each industry's access to the indemnity fund to the balance each industry contributed to the fund. 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. Cooperative Network supports release from contributions to the APS fund for grain warehouse keepers who qualify for federal standards. (R/18)

## **AG 3.11 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.

Cooperative Network urges 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.

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# Agriculture Resolutions – Wis.

Access to sufficient groundwater quantity has become an issue in parts of Wisconsin. High capacity wells critical to Wisconsin agriculture 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/19)

## **AG 3.12 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 an Agricultural Chemical Cleanup Program (ACCP) 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 uncertain as stakeholders' displeasure with these raids-continues. Cooperative Network will engage its members and other stakeholders to determine the appropriate course of action. Cooperative Network will continue to advocate for the continuation of an ACCP on behalf of our members to reflect the needs of site owners. (R/20)

## **AG 3.13 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. Cooperative Network calls 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.

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

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# Agriculture Resolutions – Wis.

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

## **AG 3.14 Petroleum Environmental Cleanup Fund Award (PECFA) Program Reform**

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

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

Cooperative Network will work with its members and others to determine the future of the program as the level of program activity diminishes. Like other segregated funds, the PECFA fund has suffered diversion of resources to other purposes never intended when the program was created. As a result, a phase-out of the fee could discourage those diversions while still supplying resources necessary for the reduced site cleanup reimbursements. (R/18)

## **AG 3.15 Diseased Animal Damages**

In 2008, the Wisconsin Court of Appeals ruled that sellers of livestock carrying one of 19 diseases are liable for all damages resulting from the diseased livestock, even if the seller was not aware that the animal was infected with one of the 19 diseases listed in the Administrative Code ATCP 10. The court also held that a seller who knowingly sells an animal with any contagious disease is also liable for resulting damages, even if the disease is not on the list. Cooperative Network is concerned that this ruling could impede the sale of livestock in Wisconsin. Cooperative Network will work to eliminate from the diseased animal statute 95.19(4) the following language: “A person who violates this section is liable for damages sustained as a result of the violation.” Making the statutory change would still allow for penalties for violation of the Chapter 95 animal health statutes. (R/17)

# Credit Union Resolutions

## **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/19)

## **CU 1.02 Credit Unions and Cooperative Development**

In the spirit of cooperation among cooperatives, Cooperative Network supports credit unions efforts 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.

Cooperative Network urges 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/20)

## **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/17)

## **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.

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# Credit Union Resolutions

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/18)

## **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/19)

## **CU 1.06 Promoting Financial Wellness and Education**

Studies show that many adults and students at all levels 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 achieving 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/20)

## **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 persons, new Americans, and others that are not having their financial needs met by the mainstream financial services system. (R/17)

## **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/18)

# Credit Union Resolutions

## **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/19)

## **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/20)

## **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/17)

## **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.

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/18)

# Credit Union Resolutions

## **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/19)

## **CU 1.14 Member Business Loans**

Credit unions are strongly positioned to provide funding to small businesses. Cooperative Network supports efforts to increase the amount that credit unions can loan to small businesses. (R/20)

# Farm Credit Services Resolutions

## **FC 1.01 Farm Credit System**

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

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

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

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

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

Cooperative Network supports a flexible regulatory environment for providing mission-related investments, more effective use of System capital, and being responsive to customers' needs and market forces.

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

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

Because agriculture and rural communities – including members of Cooperative Network – need greater, more dependable access to competitive, flexible, financial resources in order to compete in a changing global economy, Cooperative Network will support regulatory and legislative changes that would provide agricultural producers, rural businesses, rural homeowners, and others in rural America with broader access to financing by the cooperative Farm Credit System. (R/17)



# General Cooperative Resolutions

## **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) and the Northcountry Cooperative Development Fund. 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/18)

## **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/19)

## **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 public officials to more actively encourage and simplify employees' ability to buy out their companies, especially in cases where the business might close or move. Cooperative Network also supports efforts to assist and educate both business owners and employees about the benefits of creation or conversion of their business to the cooperative form of business. (R/20)

# General Cooperative Resolutions

## **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/17)

## **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/18)

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

Cooperatives, credit unions and mutual insurers 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/19)

## **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/20)

## **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/17)

# General Cooperative Resolutions

## **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/18)

## **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/19)

## **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/20)

# General Cooperative Resolutions

## **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/17)

# General Cooperative Resolutions

## **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.

Actions by a number of rail companies have dramatically driven up rates for rail shipping in recent years. Of even more immediate concern is inadequate railroad performance. Railroads are failing to move commodity shipments on a timely basis for a number of service sectors including agriculture and electric utilities.

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, Cooperative Network believes 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. Congress and the Administration should review STB policies, procedures, and outcomes to reform the organization and to streamline the process of challenging excessive rates and uncompetitive policies.

We also believe Congress should repeal the rail anti-trust exemption and along with the STB, require minimum service standards in order to meet the public interest of reliable and affordable rail service. (R/18)

## **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/19)

## **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 is part of a global strategy;
- 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 electricity generating units including hydro and nuclear power and cost-effective renewable energy sources;
- Links timelines for carbon reduction to viable technologies;
- 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/20)

## **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/17)

## **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.

Cooperative Network urges 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/18)

# General Cooperative Resolutions

## **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. Cooperative Network urges 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/19)

## **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. All power suppliers and their customers will benefit from the continued cooperation to resolve power quality issues.

Those states which have established statutory procedures for on farm testing and educational efforts for resolving stray voltage complaints have seen an improvement in complaint resolution in a timely fashion, and a reduction in stray voltage lawsuits.

Therefore, Cooperative Network supports statutory standards and procedures, consistent with the National Electrical Code, for addressing complaints in a timely fashion. (R/20)

## **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/17)

## **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/20)

# General Cooperative Resolutions

## **GC 1.22 Clean Air and Water Regulations**

Cooperative Network urges Congress, state legislatures, and federal and state agencies to protect the interests of cooperatives and their members by ensuring that clean air and water standards and programs are cost-effective, reflect voluntary best management practices (BMPs) and are driven by scientific-based outcomes. (R/19)

## **GC 1.23 Intellectual Property**

When negotiating trade agreements with other nations, Cooperative Network urges caution to ensure that intellectual property that gives U.S. producers and processors a competitive edge in production capability is not given away. (R/19)

## **GC 1.24 Alien Land Ownership**

Wisconsin and Minnesota have long standing laws limiting the purchase or ownership of land by non-resident individuals, or businesses not created under federal or state laws. Wisconsin law limits ownership by such “aliens” to no more than 640 acres each while Minnesota law prohibits such “aliens” from acquiring any interest in agricultural land. Both laws provide some important exceptions, such as that for individuals whose rights to hold larger quantities of land are secured by treaty. Wisconsin Governor Scott Walker, through his 2013-2015 proposed budget, and Assembly GOP leaders, through a request for a legal opinion from the Wisconsin Attorney General, seek to overturn the Wisconsin law based on an argument that the state law violates the General Agreement on Trade in Services (GATS Treaty). If this argument prevails, Minnesota’s law would likely be challenged in a similar manner. Cooperative Network supports the existing alien land ownership prohibition in both Wisconsin and Minnesota law and believes that repealing the existing laws would: (1) cause significant land speculation; (2) make it more difficult for state agricultural producers to purchase farm land due to substantially increased competition from foreign buyers, including sovereign foreign government funds; (3) potentially remove farm land from circulation since the evidence demonstrates foreign-owned land does not usually transfer after the initial sale; and (4) decrease the market for fuel, grain and farm supply cooperatives because the evidence demonstrates the foreign buyers often bring in their own agricultural inputs and workers and do not use local resources for the processing and export of agricultural products. For these reasons, Cooperative Network will continue to work with legislators of both parties to maintain support for these laws. (R/19)



# General Cooperative Resolutions – Minn.

## **GC 2.01 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/17)

## **GC 2.02 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, grain 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/18)

# General Cooperative Resolutions – Wis.

## **GC 3.01 Cooperative Education**

Cooperative Network believes 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.

Cooperative Network supports 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.

Cooperative Network urges 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/19)

## **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. Cooperative Network strongly encourages all member organizations and others to join the FYF. (R/20)

## **GC 3.03 Good Government and Clean Politics**

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:

- 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;
- 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

*(Continued)*

# General Cooperative Resolutions – Wis.

- All such other steps as needed to make Wisconsin a model for good government.

Cooperative Network urges 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/17)

## **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/18)

## **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/19)

## **GC 3.06 General Education**

The economic future of cooperatives and rural America depends on a well-educated workforce. While education is a rapidly changing field, cooperatives expect future workers to possess certain basic knowledge and skills.

To accomplish this goal, Cooperative Network supports measures for adequate funding, innovative practices, community support and engagement.

The 2015-16 Wisconsin Legislature should give serious consideration to the many recommendations of the Assembly Speaker's Task Force on Rural Schools, which issued its final report May 5, 2014. (R/19)

# General Cooperative Resolutions – Wis.

## **GC 3.07 Cooperative Educational Service Agencies (CESAs)**

Wisconsin's 12 nonprofit Cooperative Educational Service Agencies (CESAs) provide a variety of services for the state's 400+ school districts and are Cooperative Network members. Cost savings realized by districts are reinvested into priority programs directly benefiting students.

For example, CESA purchasing programs help schools and districts leverage the power of volume discounts and access prices not normally available to a single customer, no matter the size of the school or district. Discounts are available for software, furniture, athletic equipment, musical instruments, copiers, vehicles, custodial supplies, kitchen supplies and equipment and many other products.

Other programs and services offered by CESAs include: providing special education services; assisting schools with communication and public relations; helping implement professional evaluation systems for teachers, educational specialists, leaders and administrators; developing tools that districts can use to analyze school performance data; and promoting ongoing professional development.

Cooperative Network commits to working with the CESAs through the Great Lakes Cooperative Center to evaluate additional potential cost savings from activities such as the development of a transportation fuel purchasing cooperative and development of a model school bus contract.  
(R/19)

# Health Care Resolutions

## **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/20)

## **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/17)

## **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/18)

## **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/19)

# Health Care Resolutions

## **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/20)

## **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/17)

## **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.

Cooperative Network further urges Congress to act immediately to make health insurance premiums paid by self-employed individuals fully deductible. (R/18)

## **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/19)

# Health Care Resolutions

## **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/20)

## **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/17)

## **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.

Cooperative Network urges 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/18)

## **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.

To address this problem Cooperative Network began the Co-op Care project. The main goal of the project is to provide uninsured or underinsured cooperative members, staff and small businesses with better options for quality health care coverage. Co-op Care also targets the cost of health care by reducing duplicative efforts, increasing competition and promoting education and prevention programs.

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# Health Care Resolutions

This project is based on legislation sponsored by the Minnesota Association of Cooperatives that was successfully passed in the 2001-2002 Minnesota Legislature and enabling legislation passed in the 2003-2004 Wisconsin Legislature. Cooperative Network will continue to work with all interested parties, including member cooperatives, health care providers, legislators, state agencies and other interested trade organizations to promote the development of health care purchasing cooperatives in Minnesota and Wisconsin. Cooperative Network will seek to establish a legislative and regulatory environment that allows the formation and successful operation of health care purchasing alliances. (R/19)

## **HC 1.13 BadgerCare and MinnesotaCare Eligibility for Ag Producers**

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

Eligibility criteria for these programs require that farm equipment depreciation be calculated as income, making it extremely difficult for even the lowest income producers to qualify for the program. Cooperative Network supports efforts to change these eligibility requirements to remove depreciation from the eligibility equation. (R/20)

## **HC 1.14 Health Care Reform**

Cooperative Network understands health care reform is one of the most complex challenges facing our state and nation today. It is also one of the most critical issues to members across cooperative sectors who struggle year after year with rising health expenditures. Just as there is no single cause to rising health care costs, there is no single solution. Comprehensive reform ideas, such as a single-payer health system, are extremely controversial.

Cooperative Network urges the Minnesota and Wisconsin Legislatures and the U.S. Congress to support and encourage, through legislation and appropriations, thoughtful and innovative ideas for improving our health care system. We support:

- 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;

*(Continued)*



# Health Care Resolutions

- 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/17)

## **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 under and outside of that section. Cooperative Network supports federal low-interest loans for the capitalization of the Common Ground Health Care Cooperative in Southeastern Wisconsin. Cooperative Network commits to supporting new health care cooperatives by providing cooperative governance and other expertise. (R/20)

# Housing Resolutions

## **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/18)

## **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/19)

# Housing Resolutions

## **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/20)

## **HO 1.04 U.S. Housing and Urban Development Offices**

Senior housing cooperatives located throughout Minnesota, Wisconsin and the Upper Midwest enjoy a unique relationship with the U.S. Housing & Urban Development (HUD) multi-family offices in Minneapolis and Milwaukee. With just over 100 senior housing cooperatives located throughout the United States, 83 are located in Minnesota and Wisconsin alone. The majority of these senior housing cooperatives have their master mortgages financed through HUD and are required to have their annual budgets approved by HUD. In addition to the work HUD's multi-family office in Minneapolis performs for senior housing cooperatives, the office is the fourth largest loan producer in the country and features specialized expertise in the processing of affordable housing loans, as well as housing related Native American projects.

The future of existing and proposed senior housing cooperatives in Minnesota, Wisconsin and the Upper Midwest was placed in jeopardy when HUD announced in May of 2013 that they would be closing the Minneapolis and Milwaukee multi-family housing offices in order to streamline services they provide to various housing sectors throughout the country. However, due to the advocacy efforts of Cooperative Network and other stakeholders, HUD opted not to close the offices. Before the announcement was made in December of 2013 that the offices were not going to close, a host of cases were shifted from the Minneapolis office to other offices. It is our understanding all of these cases have been returned to either the Minneapolis or Milwaukee multi-family housing offices. Cooperative Network continues to support the centralization of the origination and servicing of senior cooperative housing mortgages under Section 213 in the Minneapolis multi-family office.

Cooperative Network continues to oppose any future proposed closure of HUD's Minneapolis and Milwaukee multi-family offices. If the multi-family offices in Minneapolis and Milwaukee were to close, all HUD oversight related to senior housing cooperatives in this region would be shifted back to other HUD offices. The result would be extremely detrimental to the existing senior housing cooperatives, as well as those that are in the planning phase. In addition, the local expertise provided to senior housing cooperatives by the practitioners in the development, architecture, legal and lending fields would suffer equally. (R/18)

# Housing Resolutions – Minn.

## **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/17)

## **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/18)

# Housing Resolutions – Minn.

## **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/19)

## **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/20)

## **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/17)

## **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  
(Continued)

# Housing Resolutions – Minn.

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/18)

## **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/20)

# Insurance Resolutions

## **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/19)

## **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.

Cooperative Network will oppose any proposal to establish either a federal or a bifurcated system of regulation of insurance, cede any authority to federal agencies to regulate financial institutions involved in the business of insurance, or otherwise pre-empt state regulation of insurance. (R/20)

# Insurance Resolutions

## **IN 1.03 National Flood Insurance Program (NFIP)**

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

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

Cooperative Network supports a long-term extension of the NFIP with changes that will charge actuarially sound rates, eliminate subsidies, update and improve the accuracy of flood plain maps, and discourage repetitive loss properties. Cooperative Network opposes adding wind coverage to the NFIP. (R/20)

## **IN 1.04 Building Codes**

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

Cooperative Network supports Congressional legislation, such as the Building Code Safe Incentive Act (110<sup>th</sup> and 111<sup>th</sup> Congresses), that would encourage states to adopt and enforce strong building codes and would increase federal disaster aid to states that adopt and enforce stronger codes. (R/20)

## **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/20)



# Insurance Resolutions

## **IN 1.06 Terrorism Reinsurance**

Insurance protects the United States economy from the adverse effects of the risks inherent in economic growth and development while also providing the resources necessary to rebuild physical and economic infrastructure.

The terrorist attack of September 11, 2001, produced claims paid by insurers totaling \$32.5 billion. The sheer enormity of the terrorist induced loss, combined with the possibility of future attacks, caused insurers and reinsurers to exclude coverage arising from acts of terrorism from virtually all commercial property and liability policies.

The United States Congress reacted by passing the Terrorism Risk Insurance Act of 2002 (TRIA), in which the federal government agreed to provide terrorism reinsurance to insurers. This act was reauthorized by several extensions.

TRIA is the principal reason for the continued stability in the insurance and reinsurance market for terrorism insurance. Without TRIA, those who want and need terrorism coverage to operate their businesses all across the nation would be either unable to get insurance or unable to afford the limited coverage that would be available.

The threat from terrorist attacks in the United States is both real and substantial and will remain as such for the foreseeable future.

Cooperative Network supports the TRIA program and urges the Congress of the United States to reauthorize federally provided terrorism reinsurance for insurers in order to maintain stability in the insurance and reinsurance markets which benefits businesses, workers, consumers, and the overall economy. (R/19)

# Insurance Resolutions – Wis.

## **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/17)

## **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/19)

# Telecommunications Resolutions – Wis.

## **TE 3.01 Intercarrier Compensation Reform and National Broadband Plan**

The Federal Communications Commission (FCC) continues to adopt reforms that impact and potentially threaten the future of telephone cooperatives and the service they provide. In rural Wisconsin, there is still significant advocacy work to be done to ensure that the revised Universal Service Fund (USF) and Intercarrier Compensation (ICC) mechanisms will truly promote and achieve the objectives of universal service.

Cooperative Network supports efforts to address the rural call completion problem that is negatively impacting rural telephone cooperatives and their customers.

Cooperative Network supports the creation of a Connect America Fund (CAF) for rural rate of return carriers to support sustainable broadband-capable networks in high-cost rural communities.

Cooperative Network will continue its efforts to help positively influence the FCC process and will continue to collaborate with like-minded organizations and national associations in its federal advocacy efforts. (R/19)

## **TE 3.02 Statewide Broadband Development**

Cooperative Network believes that rural Wisconsin citizens and businesses should have equal access to broadband.

Cooperative Network supports policies that encourage and facilitate new cooperative investment as well as continuous re-investment in broadband infrastructure and networks.

Cooperative Network also supports policies that promote investment and incentive aimed at encouraging employers, including cooperatives, to create jobs and expand telecommuting initiatives in rural communities. (R/17)

## **TE 3.03 UW Expansion of Telecommunications Activity**

Cooperative Network opposes the University of Wisconsin's (UW) efforts to compete with cooperative and private telecommunications providers. Cooperative Network believes that taxpayer-funded universities should focus on educating students and promoting research, and that taxpayer-subsidized competition from the UW will have a destructive impact on future cooperative and private investment in broadband infrastructure needs, economic development and job creation. (R/17)

## **TE 3.04 Police and Fire Protection Surcharge**

The "Police and Fire Protection Fund" (PFPPF) is a surcharge that collects more than \$100 million every biennium from Wisconsin's landline and wireless customers. Originally designated as funding for the state's 911 service, the revenues collected from the fund surcharge are now deposited into Wisconsin's general fund along with other general fund taxes like sales and income taxes.

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# Telecommunications Resolutions – Wis.

Wisconsin's landline and wireless telecommunications customers should not be subjected to the continuation of this general fund tax collection disguised as the "Police and Fire Protection Fee."

Cooperative Network supports the eventual elimination of the general fund reliance on the Police and Fire Protection Fund to support general fund expenses.

Cooperative Network and a coalition of industry, public safety and local government entities will advocate for the PFPF elimination and other 911 reforms in the 2015-2017 Biennial Budget. (R/18)

## **TE 3.05 Broadband Deployment**

While the Federal Communications Commission reports high levels of broadband availability in Wisconsin compared to the national average, it also reports low levels of adoption of high speed broadband relative to national averages.

The investments of Cooperative Network member telephone cooperatives and other private sector providers have made Wisconsin a leading state in broadband deployment, and particularly rural broadband availability and use with the vast majority of Cooperative Network member cooperatives having broadband products available to 100 percent of their customers.

Cooperative Network supports policies with a statewide focus that recognize the impact of low broadband adoption rates in comparison to high broadband availability and encourage and facilitate broadband education and adoption. (R/18)

# Utilities & Related Services Resolutions

## **UT 1.01 Advanced Renewable Tariffs or Feed-in-Tariffs**

Feed-in tariffs, also known as Advanced Renewable Tariffs (ARTs), require payment for specified renewable generation at the price needed to provide the investor a “reasonable” rate of return, which is higher than avoided cost and may be higher than retail rates. This premium rate would result in increased costs for other electricity users, many of whom are struggling to cover their existing utility bills, and would benefit developers that have other incentives and financial resources available.

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

ARTs would have significant impact on electric co-ops:

- Because of the rural nature of electric cooperative territory, they are likely to see greater interest in renewable projects. Electric co-ops also have a smaller pool of ratepayers over whom to spread the higher costs;
- One member would be forced to subsidize another member, which is contrary to co-op philosophy;
- Smaller farms would almost certainly be subsidizing larger ones and certain types of agricultural operations would subsidize other types of operations;
- Depending on how it was structured, a state regulatory agency could set rates for co-op members, taking away the basic right of self-governance by a democratically elected local cooperative boards of directors;
- ARTs could potentially alter established wholesale power contracts with other investor-owned utilities;
- Co-ops would have to cover costs of additional distribution lines and connections for projects with limited generation.

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

Cooperative Network opposes rules or legislation creating ARTs intended to provide a profit for investors, which is essentially paid by not-for-profit electric cooperative members. (R/20)

# Utilities & Related Services Resolutions

## **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/17)

## **UT 1.03 Service Territory Protection**

Cooperative Network reaffirms 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. We strongly oppose 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/18)

## **UT 1.04 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.

Cooperative Network supports 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. Cooperative Network urges 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/20)

## **UT 1.05 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.

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# Utilities & Related Services Resolutions

Cooperative Network 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.

Electric cooperatives own and operate thousands of miles of transmission and distribution lines. In many cases, cooperatives have provided these lines and service to rural residents for over 75 years. Cooperative Network supports a state policy to recognize that incumbent transmission providers should maintain the “Right of First Refusal,” or ROFR, giving the incumbent provider the first right to own and/or construct new transmission facilities within its service territory before others may initiate such projects.

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/17)

## **UT 1.06 Alternative Energy**

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

Cooperative Network acknowledges 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/17)

## **UT 1.07 Third Party Ownership**

Third Party Ownership (TPO) refers to a business arrangement where renewable energy generating equipment and technology is financed, owned or leased and maintained by an entity that uses it to produce energy which is then sold directly to the host property owner or occupant.

Legislative proposals have been considered to legalize the ability for a TPO entity to sell energy directly to the public without appropriate regulatory oversight. It is unclear whether a business offering TPO arrangements is acting as a public utility as defined by current law.

Cooperative Network supports necessary and equitable oversight of TPO arrangements, ensuring safe installation and proper interconnection of the generating equipment, as well as adequate liability insurance. Any TPO arrangement needs to prevent subsidization and rate increases on remaining utility customers and co-op members, include proper reimbursement for utility infrastructure and reliability, provide compensation for any energy added to the grid that is fair and reasonable to both the seller and buyer, and assure adequate consumer protections concerning safety, contractual and legal obligations. (R/19)

# Utilities & Related Services Resolutions

## **UT 1.08 Environmental Protection Agency Regulation of Greenhouse Gases, CO2**

The Environmental Protection Agency (EPA) has determined that greenhouse gas emissions, including carbon dioxide, endanger public health and welfare and therefore should be regulated from stationary sources such as power plants. The EPA is using the existing Clean Air Act (CAA) as a tool to enforce new emission rules.

The CAA was enacted to control pollutants on a local and regional scale that cause direct health effects. It was not intended to be used for climate change mitigation. Without Congressional action or Supreme Court objection to using the CAA, the EPA is empowered to regulate electricity and essentially determine the mix of energy resources used by the states.

The most recent set of rules proposed by the EPA for existing power plants require reductions of CO2 emissions nationwide by 32 percent from 2005 levels by the year 2030, setting specific goals for individual states based on EPA determined goals. The requirements will greatly reduce the use of coal for electric generation. EPA suggests that current and future energy needs can be met using natural gas, nuclear power, renewable sources and increasing efficiency and conservation efforts. Each state will be tasked with implementation of the rules, varying the impact on different utilities.

For Wisconsin and Minnesota electric cooperatives, there are special challenges to meeting the EPA mandates. Cooperatives have a greater reliance on coal, and in recent years have spent hundreds of millions of dollars updating existing coal plants to improve air quality and lessen impact on the environment. To abandon these plants would be to create economic hardship for cooperative members. Early adopters of carbon limiting technologies should receive full credit for their effort in reducing greenhouse gas emissions.

Also, given their rural locations, rural electric cooperatives do not have ready access to natural gas at major plant locations. New nuclear plants are too costly an investment for small cooperatives, and Minnesota and Wisconsin each have a moratorium prohibiting new nuclear plants.

Electric co-ops have established programs for ongoing utilization of renewable energy sources and successful efficiency and conservation measures in an effort to keep electricity accessible and affordable for rural areas. Utilities should receive credit for purchased renewable resources, regardless of the state or country in which the resource sites are physically located.

The aggressive timeline and reductions in CO2 emissions needed to meet the 2022 interim goal for Wisconsin and Minnesota is particularly concerning.

Cooperative Network resolves to work with applicable state regulatory agencies and other stakeholders during the interpretation of the requirements and implementation process to protect the interest of electric cooperatives and their member-owners. To ensure concerns are voiced, to minimize negative economic impact, and to allow cooperatives to continue to provide affordable, reliable and safe electricity.

Additionally, Cooperative Network supports congressional action to impose regulatory certainty by restricting the ability of the EPA to unilaterally regulate greenhouse gases.

Cooperative Network supports legislative, regulatory or judicial remedies to protect the interests of cooperative members. (R/19)



# Utilities & Related Services Resolutions – Minn.

## **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/18)

## **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/19)

## **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/20)

## **UT 2.04 Coal Generation**

Cooperative Network supports rescinding the Minnesota state moratorium on new coal-fired electricity generation. (R/17)

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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 and associated independent spent fuel storage installation (ISFSI)—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).

Until a solution is found, and spent fuel removed, Cooperative Network supports the federal government keeping its contractual obligation to provide funding to ratepayers to cover expenses of current storage of spent fuel. (R/18)

## **UT 3.02 Electric Restructuring and Retail Competition**

Dependable, affordable, and safe 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.

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:

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- 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.
- 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/17)

## **UT 3.03 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 Research Network (CRN) urges the federal government to fund energy research activities. (R/19)

## **UT 3.04 Electric Heating**

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

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

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Cooperative Network supports administrative rule-making changes, which will provide fair treatment of all fuel sources and encourage fuel diversity and conservation. We urge state regulators to accurately credit electric heat systems when determining code compliance.

Cooperative Network opposes any legislative or regulatory restrictions on the use of electric heating systems. (R/17)

## **UT 3.05 Electrician Licensing/Farm Wiring Inspections**

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

Cooperative Network urges state legislators to authorize adequate staffing and sufficient funding for state wiring inspections and electrician licensing programs. (R/18)

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