



News & Views

A Monthly Publication Dedicated to the Feed, Seed, Grain and Farm Supply Industries of Wisconsin

Entry Level Driver Training ■

The US Department of Transportation (USDOT) has drafted a regulation which would require **new** CDL holders to receive a significant amount of accredited training (120-hrs for class A and 90-hrs for Class B & C) **before** they would be allowed to drive a commercial motor vehicle (CMV) in INTERstate commerce. This regulation **could** delay your hiring of new drivers by up-to four weeks (which would have a significant impact on your seasonal operations) and additionally, it could result in the reduction of the pool of potential CDL holders available to agribusinesses (traditional motor carriers may be in a better position to offer incentives as part of their hiring and driver retention program). The regulation would take affect three years following its passage.

It is important to note that, at this time; the proposed regulation **only** applies to CDL holders operating in **INTERstate commerce** and would **not** affect the seasonal farm service CDL. However, you must remember that your CMV's do not have to cross the state-line, for you to be in INTERstate commerce; merely transporting grain to a terminal in LaCrosse, for loading onto a barge (which then moves across state lines) is considered INTERstate commerce. Also, if your CMV's cross the state-line only once, or you have a facility in more than one state, you are considered an INTERstate carrier. Accordingly, the proposed rule **could** have a significant impact on many WASA members. *Please keep in mind that it is the generally believed, this is only the first step in this regulation, and subsequently it will include all CDL drivers, both INTERstate and INTRAsate.*

WASA is sharing the following information with you, as it appears that the adoption of these rules, in some form, are inevitable, as they are part of the Homeland Security requirements intended to protect us from terrorist activity. We will leave the decision

to you to determine the potential fiscal impact to your company, as well as whether-or-not you want to send a comment to the USDOT on this issue.

The following are some points for you to consider in drafting your comments:

1. The difficulty in finding qualified employees.
2. The added cost to your business in a depressed economy, as the new-hires will most likely look to the employer to reimburse them for the training fees.
3. The regulation could result in fertilizer and other ag-chemicals (many of which are USDOT regulated hazardous materials) transported by farmers who are not required to have a CDL, or any HazMat training, thus increasing the risk to the public, from crashes.
4. The current regulations that apply to agribusiness employees, including: DOT HazMat transportation training, background checks & fingerprinting; EPA restricted-use pesticide applicator licensing; EPA worker protection standard training; OSHA general industry training (grain handling, anhydrous ammonia, etc.); DOT random drug and alcohol testing.

Somebody Asked ■

Q.: I heard you could drive a truck five miles into another state without having to register your company as an interstate trucking company or comply with all the additional rules that interstate truckers have do versus somebody who just stays in Wisconsin. Is that right?

A.: Unfortunately, no. Once you cross the state line with a commercial motor vehicle (CMV) you are an INTERstate motor carrier, regardless of how far you travel outside of Wisconsin. Accordingly, as an INTERstate carrier, you need to:

1. Update the information that USDOT has on-file for your company (MCS-150 form) to indicate that

you are operating as an INTERstate carrier. You can find the current MCS-150 information that is on-file for your company on-line at: www.safersys.org. You can also update your company information from the FMCSA website at: www.fmcsa.dot.gov. If you have a personal identification number (PIN) issued by the DOT, you can update the MCS-150 on-line, or if you do not have a PIN, you can download the form and mail it in.

2. Register as an INTERstate motor carrier, under the Unified Carrier Registration (UCR) system, which allows you to operate CMVs outside the state of Wisconsin.

3. Obtain “apportioned” plates for the trucks (over 26,000 lbs.), that operate beyond thirty miles into Minnesota or Iowa, or any distance into Illinois.

4. Maintain the required fuel tax information, for your CMV’s that operate in Illinois.

5. Ensure that the drivers of your CMV’s hold a current Federal Medical Card indicating that they are physically qualified to drive a CMV in INTERstate commerce. This applies to all drivers of CMV’s over 10,000lbs., not just CDL holders.

If you have any questions regarding applying for INTERstate authority, or the federal motor carrier regulations in general, feel free to contact the WASA office at your convenience.

Farm Bill Issues■

John McCain, earlier this week, regarding the 2008 Farm Bill, said, “It would be hard to find any single bill that better sums up why so many Americans in both parties are so disappointed in the conduct of their government, and at times so disgusted by it.” Even though President Bush vetoed the bill, it is almost certain the veto will be overridden by Congress. So how could McCain say such a thing while the bill is probably going to survive a presidential veto? Well, the answer is, everybody got something and, mostly, that something was a lot. That helps explain why 1,054 groups sent a letter to the House and Senate urging an override of the President’s veto.

The first clarification that should be made is this is a “Farm Bill” in name only. Of the bill's \$307 billion cost over five years, as projected by the Congressional Budget Office, *only* \$35 billion is for commodity programs, including crop subsidies, while \$209 billion is for programs to feed the poor.

So why did Sen. McCain say what he said? For all the discussion of change and “no more business as usual,” the bill is loaded down with pork and special interest spending. While there are serious and important policy implications as will be demonstrated below, this was clearly an entitlement bill in which many groups got a chunk of cash for the next five years. It’s interesting to note the *New York Times* and *Washington Post* editorial pages (not exactly friends of the President) agreed with the veto calling the bill “disgraceful” and “wasteful.”

That said; the following is a discussion of the more serious *policy* items that will affect you and your business in the coming five years:

Conservation Reserve Program (CRP) -- On the positive side the overall cap on CRP acres was lowered from 39.7 to 32 million acres. Unfortunately a small provision the industry was able to get in the House version that would have made it easier for contract holders to get a penalty free early opt out was dropped from the final package. Concerns were raised that given current conditions such a provision could decimate the program. The lowering of the cap basically sets the program at what it is expected to be given the current conditions. Enrollments have already dropped to 34-35 million acres and are expected to be near 32 million acres by the end of the year. A second provision included in the final bill is intended to make it easier for beginning farmers and ranchers to purchase land from retiring farmers that are currently enrolled in the CRP and put at least some of that land back into production or grazing.

Rail Study -- the provisions originally supported by the industry was for a rural rail study to be completed by the USDA. As part of the conference compromise the provision became the Rural Transportation Study to be conducted jointly by the

Department of Transportation and USDA. The original focus was on rail issues but it has been expanded to include truck and barge as well.

Arbitration -- the original version of both bills included a ban on mandatory arbitration provisions in all agricultural contracts. The industry supported removal of the provision -- fortunately references to marketing contracts and grains and oilseeds was removed -- unfortunately, however, the provision remains for livestock and poultry contracts. The conference version included language that stated: "any livestock or poultry contract that contains a provision requiring the use of arbitration to resolve any controversy that may arise under the contract shall contain a provision that allows a producer, prior to entering the contract to decline to be bound by the arbitration provision." While the provision would not impact NGFA arbitration it could set a troubling precedent for further intervention into pre-dispute settlement provisions in contracts.

Energy Provisions -- There is a strong focus in the bill on biofuels produced from other sources (i.e., cellulosic). The bill also lowers the blender tax credit from 51 cents to 45 cents once 7.5 billion gallons are being produced annually. The 54 cent tariff on ethanol is extended two years - through 1/1/2011.

Storage Facility Loans -- The bill includes a provision that directs the Secretary to establish regulations for an on-farm storage facility loan program. The program would set loan terms at a maximum of 12 years and a maximum amount of \$500,000. We have opposed such a program and the USDA has previously indicated they already have the authority to provide such loans.

CFTC -- The report re-authorizes the CFTC through 2013 and grants CFTC increased authority over retail foreign currency transactions (FOREX).

Security -- The bill creates: 1) an Office of Homeland Security within USDA to help coordinate emergency response and communications in the event of an agro-terrorism attack; 2) grant program "to develop and expand agriculture bio-security

training programs;" 3) grant and loan program for states to assess their ag disease response capabilities; and 4) grant program that would fund "research and development of agricultural countermeasures" to be used in the case of agricultural emergency.

Source: NGFA

WASA Directory Update

The following updates should be made to your WASA Directory.

New: Stoel Rives LLP
33 S 6th St., Ste. 4200
Minneapolis, MN 55402
Phone: (612) 373-8800

Changes are indicated in **bold**. As additions or changes are made throughout the year, we will notify you here in *WASA N & V*.

The directory will be at the printer this time next month and we expect you will be receiving your copy shortly thereafter. We aim to keep the directory as up-to-date as possible and in a format that you will find both easy to use and valuable. We're always looking for ways to make the directory better and if you have a suggestion, we'd be glad to hear it. It's not too late.

Looking Down the Road

June 10 - 13 Principles of Feed Manufacturing Short Course

Kansas State Univ., Manhattan, KS
More info at (785)532-4082

June 11 - 12 4-State Dairy Nutrition & Management Conference

Grand River Center, Dubuque
More info at
www.wasa.org/20084State.pdf

Sept. 9 WASA Golf Fore Scholarships

Wild Rock Golf Club at the
Wilderness, Wisconsin Dells