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May 13, 2015

Adele Gagliardi, Administrator  
Office of Policy Development and Research,  
Employment and Training Administration  
U.S. Department of Labor  
200 Constitution Avenue NW, Room N-5641  
Washington, DC 20210

Subject: Temporary Agricultural Employment of H-2A Foreign Workers in the Herding  
or Production of Livestock on the Open Range in the U.S. ID: ETA-2015-0004-0001

Dear Administrator Gagliardi:

I am writing on behalf of Western AgCredit, ACA (WAC). WAC is the largest agricultural lender headquartered in the Intermountain West. We have offices in Utah and Southwestern Wyoming. Our company is structured as an agricultural cooperative; we currently have in excess of 1600 members with outstanding loan volume in excess of \$720,000,000. The livestock sector of our portfolio comprises 683 members who owe WAC \$268,356,000. Needless to say, our company and our local communities are very dependent on those producers whose livestock converts native feed and forage into high quality protein and fiber for both the American public and for export to foreign markets. **I submit the following comments and a request for a 90 day time extension of the current comment period which is scheduled to expire on May 15, 2015.** The requested extension will provide additional time for the impacted ranchers and agricultural industry stakeholders such as WAC to fully ascertain the impact of the proposed changes and more importantly it will provide additional time for those groups to formulate a balanced response to the Department of Labor (DOL).

We have completed a preliminary analysis of the financial impact of the proposed changes on sheep ranchers within our portfolio. As currently written, the proposed changes would have a tremendous financial cost to all producers who utilize H-2A Foreign Herders. In a significant portion of our livestock portfolio, the ranchers would not be able to afford the foreign workers. Since ranchers aren't able to secure a reliable domestic workforce, those ranchers who couldn't afford the foreign workers would likely have to liquidate the livestock portion of their businesses, which in most cases means the ranches would be totally liquidated. A question that must be answered is: would the DOL rather lose the majority of need for H-2A foreign workers by continuing to pursue the drastic changes being proposed? As stated previously, our analysis would indicate that a majority of ranchers would not be able to continue in business while paying the higher costs attributable to the changes being proposed by the DOL.


We assume there are individual situations where ranchers may have taken advantage of some of the H-2A herders. We would recommend the DOL take strong action against those individuals rather than punish an entire industry.

All of the sheep ranchers that I've discussed the proposed H-2A changes with understand the importance of treating the herders humanely and providing them with fair compensation. The ranchers and the herders are treated equitably when they are out on the range. Both the rancher and the herder live in the same type accommodations, they eat the same meals and they have the same supplies while on the range. The herders are not treated as second class citizens. The herders are helping the ranchers achieve their family goals. The herders are taking care of one of the ranches most valuable asset, their livestock. Ranchers understand if they don't take proper care of the herders, the herders may not take good of care of the livestock, or the herders won't return to the ranch the next season. It literally takes several years for a new herder to understand the range where the ranch operates and how to maximize the grazing patterns/cycles of each ranch. As with all other small businesses, ranchers strive to minimize their employee turnover because it is expensive and it hurts operational productivity for an extended period.

In a perfect world, ranchers would be able to pay the proposed increased costs and simply add those increased costs onto the price of their product(s) being sold (lamb, wool, mutton, etc.). Unfortunately, agriculture is a *price-taker* not a price-setter. Since ranchers receive whatever price is being offered to them, they must pay for their expenses from their income, which in this case the average income received will be inadequate to pay the additional costs attributed to the DOL proposed changes. The sheep and wool industry has been a very low margin industry for generations and it continues to be a low margin today. Before changes are mandated, please make sure changes are needed. In the past several years, well-meaning entities and individuals have proposed changes that sound good on the surface, but either weren't practical, nor wanted by the very people they were intended to help. An example of this is herder housing. The housing dimensions proposed couldn't be pulled over the terrain where the sheep are grazed, and even if you could get the trailers onto those locations, the herders often want to share camps with other herders from a companion standpoint. They want someone to visit with. It would be best for all involved if the DOL took additional time to make sure they are fixing something that is broken, versus mandating changes that may actually cause unintended consequences.

Thank you for the opportunity to submit public comments. To reiterate, we request a 90 day extension to the comment period. In the event the comment period is not extended, WAC is against the proposed rule. As currently written, this DOL action will cause irreparable financial damage to individual ranchers and the rural communities where they live and conduct business.

Sincerely,



Richard Weathered  
President

Senator Orrin Hatch  
Senator Mike Lee  
Senator Mike Enzi  
Senator John Barrasso  
Representative Rob Bishop  
Representative Jason Chaffetz  
Representative Chris Stewart  
Representative Mia Love  
Representative Cynthia Lummis