

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Dick Knox, on January 31, 1997, at
3:15 p.m., in Room 437

ROLL CALL

Members Present:

Rep. Dick Knox, Chairman (R)
Rep. Bill Tash, Vice Chairman (Majority) (R)
Rep. Hal Harper, Vice Chairman (Minority) (D)
Rep. Haley Beaudry (R)
Rep. Aubyn A. Curtiss (R)
Rep. Jon Ellingson (D)
Rep. Doug Mood (R)
Rep. Karl Ohs (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney
Rep. Trudi Schmidt (D)
Rep. Robert R. Story, Jr. (R)
Rep. Jay Stovall (R)
Rep. Emily Swanson (D)
Rep. Lila V. Taylor (R)
Rep. Cliff Trexler (R)
Rep. Carley Tuss (D)
Rep. Douglas T. Wagner (R)

Members Excused: none

Members Absent: none

Staff Present: Kathleen Williams, Legislative Services
Stephanie Braun, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 344, HB 50, SB 50, SB 59
Executive Action: none

HEARING ON SB 59

Opening Statement by Sponsor: Sen. Charles Swysgood, SD#17
{Tape: 1; Side: a; Approx. Time Count: 1.2 Comments: none}

Proponents' Testimony:

Chris Tweeton, Chief Deputy Attorney General, Exhibit #2
{Tape: 1; Side: a; Approx. Time Count: 3.7; Comments: Exhibit
#2.}

Joe Mazureck, Attorney General submitted Exhibit #23
{Tape: 1; Side: a; Approx. Time Count: 7.1; Comments: Exhibit #23.}

Bud Clinch, Director of Department of Natural Resources and Conservation submitted Exhibit #3, #4 & #5
{Tape: 1; Side: a; Approx. Time Count: 8.9; Comments: Exhibit #3, #4 & #5.}

George Ochenski, Confederated Salish and Kootenai Tribes of the Flathead Nation submitted Exhibit #6
{Tape: 1; Side: a; Approx. Time Count: 9.1; Comments: Exhibit #6.}

Opponents' Testimony: none

Questions From Committee Members and Responses:

{Tape: 1; Side: a; Approx. Time Count: 10.2; Comments: none.}

Closing by Sponsor: Rep. Swysgood, SD #17

{Tape: 1; Side: a; Approx. Time Count: 21.9; Comments: none.}

Rep. Story will carry the bill if it goes to the House

HEARING ON HB 50

Opening Statement by Sponsor: Rep. John Cobb, HD#50 submitted Exhibit #7 and #8

{Tape: 1; Side: a; Approx. Time Count: 23.4; Comments: Exhibit #7 & #8.}

Proponents' Testimony:

Gary Meland, farmer north of Havre submitted Exhibit #9

{Tape: 1; Side: a; Approx. Time Count: 28.7; Comments: Exhibit #9.}

Fred S. Olson, Royalty owner in Hill and Blaine counties submitted Exhibit #10

{Tape: 1; Side: a; Approx. Time Count: 37.7; Comments: Exhibit #10.}

Art Kleinjan, Blaine County submitted Exhibit #11 & #12

{Tape: 1; Side: a; Approx. Time Count: 39.7; Comments: Exhibit #11 & #12.}

Tom Doubert, MT Association of Oil, Gas, Coal Counties

{Tape: 1; Side: a; Approx. Time Count: 42.0; Comments: none.}

Monte Mason, Department of Natural Resources and Conservation

{Tape: 1; Side: a; Approx. Time Count: 42.4; Comments: none.}

{Tape: 1; Side: a; Approx. Time Count: end; Comments: flipped tape at the very end.}

{Tape: 1; Side: b; Approx. Time Count: 0.1; Comments: Monte Mason of DNRC continues.}

Giles Gregoire, Havre, MT Land & Mineral Owners Association submitted Exhibit #13

{Tape: 1; Side: b; Approx. Time Count: 2.6; Comments: Exhibit #13.}

Herb Vasseur, President of MT Land and Mineral Owners Association submitted Exhibit #14

{Tape: 1; Side: b; Approx. Time Count: 5.5; Comments: Exhibit #14.}

Martin Jacobson, staff attorney for the Public Service Commission submitted Exhibit #15

{Tape: 1; Side: b; Approx. Time Count: 7.4; Comments: Exhibit #15.}

Opponent's Testimony:

Gail Abercrombie, MT Petroleum Association

{Tape: 1; Side: b; Approx. Time Count: 8.4; Comments: none.}

Jerome Anderson, Shell Western Production Section

{Tape: 1; Side: b; Approx. Time Count: 10.6; Comments: none.}

Ralph P. Madison, President of North American Resources Company submitted Exhibit #16

{Tape: 1; Side: b; Approx. Time Count: 13.0; Comments: Exhibit #16.}

Larry Brown, Northern MT Oil & Gas Association

{Tape: 1; Side: b; Approx. Time Count: 20.3; Comments: none.}

John Albe, attorney, Northern Border Pipeline and Willisten Basin Pipeline

{Tape: 1; Side: b; Approx. Time Count: 21.6; Comments: none.}

Jan Rehberg, attorney, Havre Pipeline Company submitted Exhibit #17

{Tape: 1; Side: b; Approx. Time Count: 23.9; Comments: Exhibit #17; After Ms. Rehberg introduced herself, it sounds like on the tape the microphone went off. The machine continued to tape and testimony was heard through the headphones, but there is no sound on the tape. Ms. Rehberg believes this is a disclosure issue. The company she says has been trying to provide information to the royalty owners. She feels the Committee should reevaluate the fiscal note and would like to see an amendment.}

Jim Wolfe, UMC Petroleum Corporation submitted Exhibit #18 & #19

{Tape: 1; Side: b; Approx. Time Count: 38.2; Comments: Exhibit #18 & #19. Still can't hear any testimony on the tape. Mr. Wolfe feels that HB 50 is not needed.}

Ed McLaughlin, UMC Petroleum Corporation

{Tape: 1; Side: b; Approx. Time Count: 45.0; Comments: Still no sound on tape.}

{Tape: 1; Side: b; Approx. Time Count: end; Comments: flipped tape at the very end.}

{Tape: 2; Side: a; Approx. Time Count: 0.1; Comments: still Ed McLaughlin testifying.}

Questions From Committee Members and Responses:

Rep. Knox asked Ms Rehberg a question regarding negotiations and pricing. Ms. Rehberg replied that pricing is not negotiable.

{Tape: 2; Side: a; Approx. Time Count: 1.3; Comments: no sound on tape til count of 7.3.}

Rep. Wagner asked Monte Mason of DEQ a question; what is your opinion of the rates? Mr. Mason was unable to answer the question because the Department has been unable to look at the rates. The Department has concerns as well as the Land & Mineral Owners. Further question to Mr. Mason: Rep. Wagner are the rates reasonable? Mr. Mason, I don't know I haven't seen the rates. Further question to Marty Jacobson: If the PSC were to regulate, is this just a profit shift?

Rep. Story to Marty Jacobson: would it have any effect on eminent domain? Not to what the PSC can or cannot do. By law public utilities defined

{Tape: 2; Side: a; Approx. Time Count: 7.3; Comments: sound resumes on tape with question from Rep. Story to Mr. Jacobson.}

Closing by Sponsor: Rep. Cobb closed

{Tape: 2; Side: a; Approx. Time Count: 39.5; Comments: none.}

{Tape: 2; Side: a; Approx. Time Count: 43.9; Comments: flipped tape.}

HEARING ON SB 50

Opening Statement by Sponsor: Sen. Tom Keating, SD #5 opened

Proponents' Testimony:

Gail Abercrombie, Executive Director of MT Petroleum Association

{Tape: 2; Side: b; Approx. Time Count: 7.9; Comments: none.}

Larry Brown, Northern MT Oil & Gas Association
{Tape: 2; Side: b; Approx. Time Count: 8.8; Comments: none.}

Opponents' Testimony: none

Questions From Committee Members and Responses:
{Tape: 2; Side: b; Approx. Time Count: 9.4; Comments: none.}

Closing by Sponsor: Sen. Keating, closed
{Tape: 2; Side: b; Approx. Time Count: 12.0; Comments: none.}

HEARING ON HB 344

Opening Statement by Sponsor: Rep. Ray Peck, HD #91 submitted
Exhibit #20
{Tape: 2; Side: b; Approx. Time Count: 12.6; Comments: Exhibit
#20.}

Proponents' Testimony:

Roxanne Kohl, MT Audubon, signed Witness Statement Form, Exhibit
#1

Frank Culver submitted Exhibit #21
{Tape: 2; Side: b; Approx. Time Count: 18.5; Comments: Exhibit
#21.}

Gerard Berews, Save the Fort Missoula
{Tape: 2; Side: b; Approx. Time Count: 23.1; Comments: none.}

Ross Best, citizen
{Tape: 2; Side: b; Approx. Time Count: 30.5; Comments: none.}

Joe Lamson on behalf of Nancy Keenan
{Tape: 2; Side: b; Approx. Time Count: 39.7; Comments: none.}

Steve Bullock, Legal Council for the Secretary of State
{Tape: 2; Side: b; Approx. Time Count: 40.9; Comments: none.}

Opponents' Testimony:

Leroy Shram, Legal Council for Board of Regents University System
submitted Exhibited #22
{Tape: 2; Side: b; Approx. Time Count: 41.8; Comments: Exhibit
#22.}

{Tape: 2; Side: b; Approx. Time Count: 46.8; Comments: flipped
tape.}

{Tape: 3; Side: a; Approx. Time Count: 0.1; Comments: Leroy Shram
still testifying.}

Questions From Committee Members and Responses:

{Tape: 3; Side: a; Approx. Time Count: 18.6; Comments: none.}

Closing by Sponsor: Rep. Peck closes

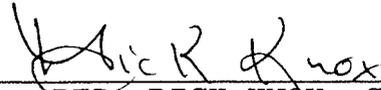
{Tape: 3; Side: a; Approx. Time Count: 24.5; Comments: none.}

Rep. Knox decided to defer Executive Action

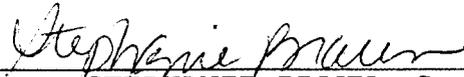
{Tape: 3; Side: a; Approx. Time Count: 30.8; Comments: none.}

ADJOURNMENT

Adjournment: 6:58 p.m.



REP. DICK KNOX, Chairman



STEPHANIE BRAUN, Secretary

DK/SB