

MINUTES OF THE MEETING OF THE HOUSE HIGHWAYS AND
TRANSPORTATION COMMITTEE, FEBRUARY 17, 1983

The meeting was called to order by Chairman Abrams on Thursday, February 17, 1983 at 12:30pm, in Room 129, State Capitol. All members of the Committee were present.

HEARINGS

HOUSE BILL 776. REP. JOHN SHONTZ, District 53, Richland County, testified as chief sponsor of the bill which would reestablish the Board of Aeronautics, subsequent to its sunset review. He said people in Eastern Montana feel the impacts of air service and in support of the Board said it took the lead in defining Montana's legislative interests, thus improving commercial aviation in the State; created industrial revenue bonds which were issued several sessions ago to help the aeronautics industry in the State; and is comprised of individuals in the aviation business. Rep. Shontz told the Committee aviation is a strong transportation link in Montana as well as serving in emergency situations. He said there is a need for a semi-judicial board of citizens to oversee aeronautic functions and make policy decisions with regard to the State and federal legislation.

PROPONENTS

MR. ROBERT HOLLISTER, President, Montana Pilots Association, told the Committee he agreed with Rep. Shontz' views and read from a prepared statement in support of the bill and industry-based bonds (exhibit).

MR. HUGH KELLEHER, Executive Secretary, Montana Airport Managers Association, stated his support of the bill in a prepared statement, and proposed several amendments (exhibit). He said page 7, lines 23-25 and page 8, line 1, would take local options from the people of Montana; page 10, lines 3-9, are made useless because of deregulation of the airlines; page 6, line 15, be amended to "cities and towns representing the Montana Airport Association".

MR. C.R. OLGRIN, Miles City, MT, told the Committee he was a fixed-base operator and a member of the Montana Aeronautics Board. He stated his support of the bill, adding the Board does not have the expertise to carry on deregulation at the State level.

MR. LEE FORD, Montana Business Aircraft Association and Buttrey Food Stores, stated his support of the bill with proposed amendments. He suggested the Chamber of

Commerce be replaced with business aircraft operators on page 6, line 13 of the bill, as all other areas of aeronautics are represented on the Board and business aircraft operators contribute \$160,000 in aircraft taxes in Lewis and Clark County alone.

MR. TOM CRIPPEN, Montana Aviation Trades Association, told the Committee, there are regulations enough and there is no need for deregulation at the State level.

MR. K.G. MAMUZICH stated he opposed the bill as written but would support it with the proposed amendments.

MR. GEORGE TESHOVICK, Northwest Airlines Manager, Great Falls, stated his support of the bill.

MR. LEE BAKER, Lewistown, Past President, Montana Pilots Association, read from a prepared statement written to Herb Sammons, Chairman of the Aeronautics Board (exhibit). He said the Board did not authorize anyone to speak for themselves at the hearing, as it is self-serving and said the bill is parallel to Senate Bill 119, which downgrades the Board to an advisory capacity, adding he is concerned with issuance of grants and loans by bureaucrats without industry control. Mr. Baker said he does not favor the amendments as proposed and believes board members should be confirmed by the legislature in addition to their appointment by the Governor and told the Committee the task force has doubled service in Eastern Montana.

MR. RICK O'BRIEN, Conrad, MT, told the Committee he had served as a member of the Aeronautics Board for 12 years with 8 of those as chairman. He stated his support of the bill which would retain the Board in the same general manner as before, adding the Board has been in existence for 38 years. He said authority to deregulate has not been exercised and that it is important to maintain regulation of intra-state carriers. He read a statement for a proposed amendment to page 8, line 15, requiring registration for certification.

MR. JIM STEFFECK, told the Committee he represented himself, and said the flying public were interested in preservation of aeronautics in the State, as well as the Board and urged the Committee not to deny the travelling public this privilege.

OPPONENTS

There were no opponents of the bill.

IN CLOSING, Rep. Shontz thanked the proponents of the bill and reviewed proposed amendments. He said page 6, line 12, would make changes pertaining to board members; page 8, line 14, pertains to members of the league of cities and towns representing airport operators. Rep. Shontz told the Committee the air service business is costly and its strength must be maintained to keep it in operation, adding the commuter airline business is in a state of flux, because of deregulation, but has adjusted. He asked the Committee to support the bill and its concepts, stressing it is critical that the Board continue to exist.

QUESTIONS

REP. HARP asked more many intra-state commercial airlines there were in the State. Mr. O'Brien replied there were no. Rep. Harp asked if the Board had nothing to do with safety and if safety were only regulated by the FAA. Mr. O'Brien replied the principal consideration in authorizing a certificate is to assure financial stability to ensure proper maintenance, among other things. Rep. Harp noted no ther state except North Dakota has regulations on carriers in it audit report and asked why Montana needed it. Mr. O'Brien said it was because there was a need to someone to look at the business before it began operating.

REP. HARP asked Mr. Mamuzich about Minuteman Avaiation in Missoula, Mr. Mamuzich replied the business has been inactive for six months and will be reviewed in April, 1983, for feasibility of renewing its operations.

REP. KEYSER asked why one member from the public at large was not included, as in other boards. Mr. Olgrin replied the Chamber of Commerce seat on the Board is occupied by an attorney who is not involved in aviation.

REP. STOBIE asked if no consumer groups were served since there is no commercial intra-state carrier in Montana. Mr. Olgrin replied there is an on-demand air taxi with no schedule, adding commuter airlines have a published air schedule which they must fly.

REP. HARP asked Mr. Dick Varner, Legislative Auditor's Office to explain a letter from Capitol Aero. Mr. Varner replied Capitol Aero had a contract with several banks to carry cancelled checks between cities in Eastern Montana

and the Federal Reserve Bank in Helena, and at the same time, carried passengers. He said a dispute arose between the Board and Capitol Aero as to whether or not it was a scheduled flight, adding the point is now moot since Capitol Aero no longer has the contract.

MR. O'BRIEN read a letter from the Office of Congressional and Community and Consumer Affairs, to Mr. Sammons, stating it did not appear Capitol Aero was engaged in interstate air transportation and thus proposed no threat to Big Sky operations in the State.

MR. VARNER explained there are two classes of regulation by the Civil Aeronautics Board, one requiring a rigorous certification process with financial and operational review and the other a 298 exemption for air taxi and commuter airlines which is subject to insurance requirements only and no periodical financial audit (intra-state only). He said the bill, if enacted, would have regulatory authority only over Montana carriers and it is presently unclear as to whether all 298 exemptions fall within this category.

The hearing was closed on House Bill 776.

EXECUTIVE SESSION

HOUSE BILL 636. REP. HEMSTAD moved the bill Do Pass.

REP. KOEHNKE said the 100 mile limit needs to be amended to 250 miles and that he questions fines being classed as a misdemeanor as it could prohibit an individual's entry into the military.

REP. SOTBIE said he thought there would be many misdemeanors among those who have been flying only a short time, adding IFR differs from VFR and planes leave and enter the State so quickly, entering other jurisdictions.

REP. HEMSTAD if the bill would be more palatable if it were amended to 250 miles.

MR. KOEHNKE said if a plan were caught in a storm it might deviate from the flight plan and would still be difficult to locate.

REP. KEYSER asked what a Montana Public Airport was. Mr. Olgrin replied any airport owned by a municipality or county was considered a public airport.

REP. HEMSTAD asked if the 250 mile flight plan would not protect a pilot with passengers. Mt. Olgrin replied it would, adding an air taxi can cross the U.S. without filing a flight plan.

REP. STOBIE asked for the difference between a controlled and an uncontrolled airport. Mr. Crippen replied a controlled airport has FAA personnel and, referring to the Harrison flight, said the pilot had not conversed with anyone with regard to his flight plan for a long period of time, making it difficult to locate the plane.

REP. KOEHNKE replied the regulation will be difficult to enforce.

REP. SOLBERG asked who paid for searches. Mr. Crippen replied the State reimbursed searchers for gas if they were under supervision, adding other costs are donated.

REP. SHONTZ told the Committee Sidney is one of the busiest non-controlled airports in the Rocky Mountains and said when a flight plan is filed, the information goes to other airports and when a plane fails to arrive on schedule a search can be instituted earlier.

REP. HEMSTAD made a substitute motion to amend page 1, line 14, following "than", to strike "100" and insert "250".

REP. STOBIE made a substitute motion for all motions pending to amend the title on line 6, to state "originating at a Montana public controlled airport" and amend line 14 to "250", in addition to striking line 18 on page 1.

REP. SHONTZ said the matter would become a civil offense if misdemeanor were removed from the bill and the option to prove intent would also be removed.

REP. ZABROCKI made a substitute motion for all motions pending that the bill be tabled. The motion was approved with ten members voting aye and 7 voting no.

HOUSE BILL 443. REP. SHONTZ moved the bill Do Not Pass.

REP. KEYSER made a substitute motion that the bill Do Pass as the electorate should have a change to vote on the issue since they're affected by coal tax funds and highways.

REP. UNDERDAL seconded the motion made by Rep. Keyser.

REP. STOBIE said the bill was a good way to let Eastern states know coal tax dollars were to be used for the benefit of all Montanans and visitors.

MR. GREG PETESCH, Legislative Council Attorney, said the bill provides for a November, 1984 election, adding another bill will clarify that general election means a statewide election and if the bill passes, House Bill 443 would automatically be amended.

REP. LYBECK told the Committee coal tax funds were set aside for future use and the State should be ashamed to plan use of the funds now.

REP. O'CONNELL asked what the definition of the "future" was.

The motion made by Rep. Kesyer was given approval with ten members voting aye and seven voting no.

HOUSE BILL 776. REP. SHONTZ moved the bill Do Pass and then moved the title be amended on line 8 to read "aircraft and airport grants". The motion was seconded by Rep. O'Connell and given unanimous committee approval.

REP. SHONTZ moved "whose principal business is aviation" be inserted on page 6, lines 12-13 and 15. The motion was seconded by Rep. Stobie and unanimously approved by the Committee.

REP. SHONTZ moved "one member representing Montana airport operators" be inserted on page 6, line 14, and "cities and towns" be stricken. Rep. Shontz stressed that the motion was to be stated as a special intent in the minutes.

REP. KEYSER asked if the Montana Airport Managers Association differed from the Montana Airport Managers. Rep. Shontz replied they did.

The motion made by Rep. Shontz was seconded by Rep. Keyser and given unanimous committee approval.

REP. HARP moved Sections 4-11 be stricken and Section 67-3-423 be repealed. Rep. Shontz said he would oppose the motion as there is a big difference with reference to Civil Aeronautics Board safety factor problems and with reference

to intra-state basis, said the federal government does not regulate them. He said there are more deaths on these flights and on commercial flights, adding the Board is vital to the industry.

REP. BROWN, said as a member of the Butte-Silver Bow Airport Board, there is a need for State function.

REP. HARP said the Board of Aeronautics has no authority with regard to safety and the North Dakota regulations seem to remain eligible for state audits, adding Montana has not regulated safety in the past and he sees no need to do so now.

REP. BROWN said the size of the State constitutes carrier need.

MR. SCOTT SEACATT, Deputy Legislative Auditor, said the FAA has sole authority over safety and the Civil Aeronautics Board has authority over 298 exemptions, while the Montana Board has no authority over safety. He said the question is one of philosophy, as if an airline was neither CAB certified or exempt, would the State want the Montana Board to regulate it.

REP. KEYSER said MAMA was opposed to the regulations in the bill and would support the proposed amendments (exhibit).

REP. BROWN said in view of this information he would change his mind on the amendments.

MR. PETESCH advised Rep. Harp's motion would do nothing to other sections, as they would not be repealed, but only removed from the bill.

REP. HARP advised he wanted the Sections repealed and the Board not to have this authorization. Rep. Brown said he should only strike Sections 4-11.

REP. SHONTZ asked if a license would then become public property and if the Committee could repeal any statute now.

REP. BROWN made a substitute motion to strike Sections 4-11 of the bill. Rep. Harp agreed to remove the repealing of Section 67-3-423 from his motion. The motion made by Rep. Brown was seconded by Rep. Harp and approved by all members of the Committee except Rep. Shontz, who voted no.

Highways Committee Minutes
February 17, 1983
Page 8

REP. SHONTZ moved the bill Do Pass as Amended. The motion was seconded by Rep. Keyser and given unanimous committee approval.

HOUSE BILL 636. REP. HEMSTAD moved the Committee reconsider its action on the bill to work up some amendments. Rep. O'Connell seconded the motion.

REP. SHONTZ said he would support the motion, but not to amend the bill, adding Sidney has more business than Great Falls and is second only to Billings in the State.

REP. STOBIE said the Committee could not deal with the situation this date.

REP. BROWN said the bill should be given a Do Not Pass recommendation.

The motion made by Rep. Hemstad was approved with nine members voting aye and 8 voting no. The bill will be taken up in executive session on Saturday, February 19, 1983.

The meeting was adjourned at 2:30pm.


REP. HUBERT ABRAMS, CHAIRMAN

Joann T. Gibson, Secretary



STANDING COMMITTEE REPORT

FEBRUARY 17

19 83

MR. **SPEAKER:**

We, your committee on **HIGHWAYS AND TRANSPORTATION**

having had under consideration **HOUSE** Bill No. **443**

FIRST reading copy (WHITE)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND ARTICLE IX, SECTION 5, OF THE CONSTITUTION OF THE STATE OF MONTANA TO REDUCE THE AMOUNT OF COAL SEVERANCE TAX REVENUE TO BE ALLOCATED TO THE COAL SEVERANCE TAX TRUST FUND FROM 50 PERCENT TO 30 PERCENT AND REQUIRING THAT NOT LESS THAN 20 PERCENT OF THE COAL SEVERANCE TAX REVENUE, AND THE INTEREST THEREFROM, BE USED SOLELY FOR THE CONSTRUCTION AND RECONSTRUCTION OF THE STATE'S HIGHWAYS; PROVIDING THAT THE ACT BE SUBMITTED TO THE ELECTORS OF THE STATE OF MONTANA; AND PROVIDING AN EFFECTIVE DATE AND TERMINATION DATE."

Respectfully report as follows: That **HOUSE** Bill No. **443**

XXXXXXXXXXXXXXXXXXXX

DO PASS

REP. HUBERT ABRAMS
Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 17

19 83

MR. **SPEAKER:**.....

We, your committee on **HIGHWAYS AND TRANSPORTATION**.....

having had under consideration **HOUSE** Bill No. **776**

FIRST reading copy (**WHITE**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT REESTABLISHING THE BOARD OF AERONAUTICS UNDER EXISTING STATUTORY AUTHORITY AND RULES AND CHANGING THE QUALIFICATIONS FOR MEMBERSHIP ON THE BOARD; REQUIRING THE BOARD TO APPROVE AIRCRAFT GRANTS AND LOANS; REVISING THE AIR CARRIER LAWS TO LIMIT APPLICATION TO INTRASTATE CARRIERS ONLY; AMENDING SECTIONS 2-8-103, 2-15-1812, 67-3-421, 67-3-422, AND 67-3-424 THROUGH 67-3-429, HCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That..... **HOUSE** Bill No. **776**

Be amended as follows:

1. Title, line 7

Following: "APPROVE"

Insert: "AERPORT AND"

2. Title, line 8

Following: "LOANS?"

Strike: remainder of line 8 through "ONLY?" on line 9

3. Title, line 9

Following: "2-8-103"

Strike: ", "

Insert: "AND"

4. Title, line 10

Following: "2-15-1812,"

Strike: remainder of line 10 through "67-3-429," on line 11

~~XXXXX~~
~~DO PASS~~

REP. HUBERT ABRAMS

STATE PUB. CO.
Helena, Mont.

Chairman.

COMMITTEE SECRETARY

5. Page 6, line 13
Strike: "representing"
Insert: "whose principal business is"
6. Page 6, line 14
Following: "member"
Strike: remainder of line 14 through "towns" on line 15
7. Page 6, line 15
Following: "representing"
Insert: "Montana"
8. Page 7, line 7 through page 14 line 11
Strike: Sections 4 through 11 in their entirety
ReNUMBER: subsequent sections
9. Page 14, line 12
Following: "airport"
Insert: "and aircraft"
10. Page 14, line 13
Following: "airport"
Insert: "and aircraft"
11. Page 14, line 17
Strike: 12
Insert: 4
12. Page 14, line 19
Strike: 12
Insert: 4

AND AS AMENDED

DO PASS

REP. HUBERT ABRAMS

Chairman.

ROLL CALL VOTE 1983 HIGHWAYS AND TRANSPORTATION COMMITTEE

	Date: 1/27 No: HB 7	Date: 2/17 No: HB 636 Table	Date: 2/17 No: HB 443 Do Pass	Date: 2/17 No: HB 636 Reconsider	Date: 2/19 No: HB 636 Amend.	Date: No:
ABRAMS	Y	N	Y	Y	Y	
ZABROCKI	Y	Y	Y	Y	N	
BROWN	A	Y	Y	N	N	
COMPTON	Y	Y	Y	N	Y	
HAMMOND	Y	N	N	Y	N	
HARP	Y	N	N	Y	N	
HEMSTAD	Y	N	Y	Y	N	
HOWE	Y	Y	N	N	A	
KENNERLY	Y	Y	N	N	N	
KEYSER	Y	Y	Y	N	Y	
KOEHNKE	Y	Y	Y	N	Y	
LYBECK	Y	N	N	Y	N	
O'CONNELL	Y	N	Y	Y	N	
SHONTZ	A	N	N	Y	N	
SOLBERG	N	Y	Y	N	Y	
STOBIE	Y	Y	Y	N	Y	
UNDERDAL	Y	Y	Y	Y	Y	

VISITOR'S REGISTER

HOUSE Highways COMMITTEE

BILL HB 776

DATE 2-17-83

SPONSOR Shontz

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
C.B. Warren	MILRS CITY	Mont. Aviation Trades	with	None
R.G. Hammerich	MICIGOLLA, MT.	MT. AVIATION TRADES		✓
LEE FORD	GREAT FALLS	M.B.A.A. - BUTTNEY FOODS	X	X
TOM CHIPPON	BUTTE	M.B.A.A.		X
GEORGE TESHOVICK	Great Falls	Northwest Airlines	X	X
K.A. CURTIS	HELENA	NORTHWEST AIRLINES	X	X
Hugh Kelleher	Helena	M.A. M.A.	X	X
LEE BYKER	LEWISTOWN	IPPA	X	
ROBERT HOLLISTER	FORSYTH	MONT. PILOTS ASSOC.	X	
RICHARD BROWN	CONRAD	SELF	X	
JAMES A. STOFFEL	HELENA	SELF	X	X
DICK VANDER	HELENA	Legislative Auditor		
H. L. HOLMAN	Great Falls	Self		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name K. G. MAMUZICH Committee On Highways + Transportation
Address 1610 HAYES DR. MISSOULA, MT. Date 2/17/83
Representing MONT. AVIATION TRADERS ASSN. Support ✓
Bill No. 776 Oppose ~~✓~~
Amend ✓

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. WITH AIRLINE DEREGULATION AND UP TO 45 STATES
THAT DO NOT REGULATE AIR CARRIERS I OPPOSE
THIS BILL AS WRITTEN

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name O. R. [unclear] Committee On Highways & Trails
Address 99 Basson Drive ^{MIRAS CITY} Date 2-17-83
Representing Montana Advanced Trails Support
Bill No. 776 Oppose
Amend

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: WITH DILINE DELEGATED AND 45 STATES

1. That do not attempt regulated I oppose this
Revised of the Bill ~~is~~ in addition on
2. Board makeup I object to having an
organization, example: MPA ~~is~~ is this
is left in the Bill other organizations
3. Should be have this privilege.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name LEE FORD Committee On _____
Address GREAT FALLS Date 2-17-83
Representing MBAA & BUTTNEY FOORS Support AS AMENDED
Bill No. 776 Oppose ~~AM~~
Amend X

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. BUSINESS AVIATION IS NOT REPRESENTED
AS THE BILL IS WRITTEN

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name GEORGE Teshovick Committee On _____
Address Great Falls. Date 2-17-83
Representing Northwest Airlines Support X
Bill No. 776 Oppose ~~X~~
Amend X

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Bill is needed but it must be amended.
2. The Board makeup is not up to date & more represented by
3. present day business concerns would be more beneficial to Western aviation
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name TOM CRIPPEN Committee On _____
Address 240 Nagle Dr Butte Date 17 FEB 1983
Representing Montana Business Aviation Support
Bill No. 776 Oppose
Amend

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. would like Bill Amended to Remove Regulation of Intra state Authority the Pro move on the Federal level is away from ~~regulation~~
2. Have A Representation From Montana Business Aviation
3. Have A Representation From Airport Manag
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Hugh R Kelleher Committee On Highways & Airways
Address 1620 Jerome Highway Date 2/17/83
Representing M.A.M.A Support _____
Bill No. 776 Oppose ✓
Amend ✓

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

- 1.
- 2.
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

2-17-83

HOUSE HIGHWAYS AND TRANSPORTATION COMMITTEE

Bill Summary

HB 776 reestablishes the Board of Aeronautics, which was sunsetted, under existing statutory authority. The bill revises the membership of the board and limits its authority over air carriers to intrastate carriers only. The bill also gives the board the authority to approve any airport grants and loans that the Department of Commerce is authorized to issue.



STATE OF MONTANA

Aeronautics Board



TED SCHWINDEN
GOVERNOR

Richard S. O'Brien, Vice Chairman, Conrad
Clarence Ugrin, Miles City
Robert N. Miller, Dillon

Maurice Sandmeyer, Secretary, Sidney
Bruce Vanica, Billings
James A. McLean, Bozeman

HERB SAMMONS,
CHAIRMAN
CUT BANK

February 15, 1983

2-17-83
AB 776

Rep. Hubert Abrams, Chairman
Highways & Transportation Committee
Montana House of Representatives
Helena, MT 59620

Dear Rep. Abrams:

I regret not being able to appear before your committee to personally submit testimony on HB 776.

The Montana Aeronautics Board is in support of reestablishing the Board in the manner set forth in HB 776.

Your acceptance of this letter in lieu of my personal testimony will be greatly appreciated.

Sincerely,

Herb Sammons, Chairman
Aeronautics Board

mk



2-17-83
HB 776

RESOLUTION

WHEREAS, The Montana Aviation Trades Association is made up of a group of flight operators engaged in General Aviation and operating General Aviation facilities at one or more of the 116 airports in the State of Montana, and

WHEREAS, The purpose of the Montana Aviation Trades Association is to foster, promote and protect the Commercial Aviation Industry in the State of Montana, and

WHEREAS, at the annual meeting of the members of Montana Aviation Trades Association it was voted on and unanimously passed,

THEREFORE, Be it resolved that at this time, The Montana Aviation Trades Association go on record as being in favor of re-instating the Board of Aeronautics, providing the portion of the bill relating to regulation of Intra-State be deleted from the bill.

Robert A. Palmersheim RZ
ROBERT A. PALMERSHEIM
PRESIDENT OF MONTANA AVIATION
TRADES ASSOCIATION

*The purpose of Montana Aviation Trades Association is to foster promote and protect
the commercial aviation industry in the State of Montana.*

**MONTANA
AIRPORT
MANAGEMENT
ASSOCIATION**

Reply To:

February 17, 1983

HB 776

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE HIGHWAYS AND TRANSPORTATION COMMITTEE:

I AM HUGH R. KELLEHER, EXECUTIVE SECRETARY OF THE MONTANA AIRPORT MANAGEMENT ASSOCIATION (MAMA). MAMA IS ^{*Support do amend*} ~~OPPOSING~~ HOUSE BILL 776 FOR TWO REASONS. FIRST, MAMA STRONGLY FEELS THAT IT SHOULD HAVE A DESIGNATED REPRESENTATIVE ON THE MONTANA AERONAUTICS COMMISSION. THIS BILL SPECIFICALLY NAMES OTHER ORGANIZATIONS, SUCH AS THE MONTANA PILOTS' ASSOCIATION AND THE FIXED BASE OPERATORS, AND WE FEEL THAT THE MONTANA AIRPORT MANAGEMENT ASSOCIATION SHOULD HAVE THIS SAME RECOGNITION FOR WITHOUT AIRPORTS THERE WOULD BE NO PILOTS' ASSOCIATION OR FIXED BASE OPERATORS.

MONTANA HAS ONE OF THE FINEST AIRPORT SYSTEMS AS ANY OTHER STATE IN THE NATION, AND IT IS ONLY THROUGH PROFESSIONAL MANAGEMENT THAT THIS HAS BEEN BROUGHT ABOUT.

MAMA ALSO OPPOSES OTHER FEATURES OF THIS LEGISLATION THAT GIVES THE

COMMISSION REGULATORY POWERS OVER INTRA-STATE CARRIERS. WE AGREE WITH
THE AIR ~~TRANSPORTATION ASSOCIATION~~^{F.B.O.} THAT THIS IS NOT NEEDED, ESPECIALLY
UNDER THE ENVIRONMENT OF DEREGULATION.

WE CALL YOUR ATTENTION PARTICULARLY TO PAGE 7, LINES 23 THROUGH 25 AND
PAGE 8, LINE 1. HERE AGAIN WE FEEL THAT LOCAL OPTION IS BEING TAKEN
AWAY FROM THE PEOPLE OF MONTANA.

WE ALSO CALL YOUR ATTENTION TO PAGE 10, LINES 3 THROUGH 9. WE FEEL THAT
DEREGULATION OF THE AIRLINES MAKES LEGISLATION OF THIS TYPE COMPLETELY
USELESS. THIS LEGISLATION DOES NOT ADDRESS SAFETY AND OTHER OPERATIONAL
PROCEDURES THAT SHOULD BE ADDRESSED IF INTRA-STATE REGULATION WAS IMPOSED.

*Page 6 - line 15 to read -
of city and towns representing
montana airport management ass*



CIVIL AERONAUTICS BOARD

WASHINGTON, D.C. 20428

IN REPLY REFER TO: B-93

APR 29 1982

RECEIVED

MAY -3 1982

MONTANA AERONAUTICS DIVISION
HELENA, MONTANA

Mr. Herb Sammons
Chairman
State of Montana
Aeronautics Board
P. O. Box 5178
Helena, Montana 59604-5178

2-17-83
HB 776

Dear Mr. Sammons:

John Smith of our California office has advised me of the Montana Aeronautics Board's concern that Capitol Aero, Inc. may be operating scheduled commuter airline service without C.A.B. authority and that their service may be harmful to Big Sky Airlines' operation in Montana.

As you are aware, Capitol Aero is registered as an "air taxi operator" pursuant to Part 298 of the Board's regulations. However, if Capitol Aero intended to operate as a commuter air carrier in interstate air transportation it would first require a finding of fitness by the Board. Based on the information you submitted and our contact with the carrier, it does not appear that Capitol Aero is engaging in interstate air transportation. Therefore, any requirement to regulate their current commuter status would fall under your state's jurisdiction.

Furthermore, the Board is interested in promoting competition. If a carrier elects to operate at the same points as a subsidized carrier, this agency would not take steps to inhibit this competition.

Thank you for your interest in this matter.

Sincerely,

Hoyte B. Decker, Jr.
Assistant Director For
Operations
Office of Congressional,
Community and Consumer
Affairs

2-17-83
HB 776

MONTANA PILOTS' ASSOCIATION
INCORPORATED



February 16, 1983

Committee Chairman
Committee Members
House Highway and Transportation Committee

The Montana Pilots' Association favors the expedient passage of House Bill #776. The Montana Aeronautics Board should have the authority to approve or disapprove loans and grants by the Aeronautics Division. With the low population density and the great distances in our State, we feel there is great merit in retaining the Board's authority to issue industrial revenue bonds to Montana based commuter airlines.

With the Federal Government's program of returning State's rights and responsibilities to the individual States, we foresee 1983 as the time to become prepared to handle these obligations. Whereas, the Montana Aeronautics Board has done a commendable job in the past, the Montana Pilots' Association has every reason to believe that this Board will continue to serve Montana's aviation community commendably in the future without costing the general taxpayer of Montana one dime.

Sincerely,

A handwritten signature in cursive script that reads "Robert Hollister". The signature is written in black ink and is positioned above the printed name and title.

Robert Hollister
President

EXCUSE

DATE 2-17-83

REPRESENTATIVE John Shatz

IS EXCUSED FROM COMMITTEE HEARING.

REP. HUGH ABRAMS, CHAIRMAN
HIGHWAYS AND TRANSPORTATION COMMITTEE

PROXY VOTE

Date 2-17-83

REPRESENTATIVE John Shatz

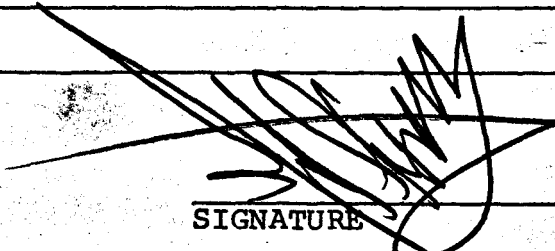
BILL NO. _____

INSTRUCTIONS _____

443 - NO

636 - ~~NO~~ YES

- NO to any amendments



SIGNATURE