

11:00 a.m.  
April 7, 1977

MINUTES OF THE MEETING  
BUSINESS AND INDUSTRY COMMITTEE  
MONTANA STATE SENATE

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building.

ROLL CALL: All members were present with the exception of Senators Regan and Goodover.

CONSIDERATION AND DISPOSITION OF HOUSE BILL 837.

Representative Joe Brand stated he was chief sponsor of this bill. He stated that toward the end of the session it came to his attention that toward the end of the year when people are paying their license fees to the state they should be allowed a grace period.

He stated a friend was paying a license fee to the state of \$11.00. He mailed it in December 31st and it didn't get there until January 4th. The old law said they would fine him double so he had to pay \$22.00. This bill is giving him a grace period of 30 days plus 10%. After the 31st of January, it will then revert back to the old system.

Senator Peterson made a motion that HB 837 Be Concurred In. Senator Lowe seconded. All were in favor.

CONSIDERATION AND DISPOSITION OF HOUSE BILL 525.

Since Representative Mular was unable to attend the meeting, Representative Joe Brand stated what this bill does is revitalize a plan that will work between the State and Federal Governments. They are now in Phase II and the Federal Government picks up 90%. He stated he thought rail transportation is the best for in the future.

PROPOSERS:

Gene Carroll, Director of Rail Planning, provided each member with a copy of a book entitled "Montana State Rail Plan - Phase I." He stated a year ago in February, the 4-R Act was passed. One provision was that the railroad should begin to rationalize and plan. If they have branch line losers they should get rid of them. They set up a fund of \$3.6 million to offset the economic impacts that would come around within the next five years. (Attached Exhibit A)

Mr. Carroll stated that what has happened is there are two phases to the program. (1) Put plan together. Montana is eligible for \$3.6 million dollars. \$150,000.00 of this is for planning.

House Bill 525 appropriation measure for \$100,000.00 for planning funds in sections 23 and 24 is \$50,000 for fiscal '78 and \$50,000 for fiscal '79. The plan will include an analysis for 29 segments of branch lines in Montana. He handed out a sheet entitled "Montana Light - Density Rail Segment." (Attached Exhibit B). He stated sooner or later these branch lines would be abandoned. After the plan is put together, they will know how much it will cost to continue service on branch lines that will be abandoned.

The second phase to the program is to implement the projects. Since it will take a year and a half it will be almost the next year before they can implement any projects.

He requested that the Committee give serious consideration to HB 525.

John Delano, Montana Railroad Association. He stated he has no objection to the plan.

Joan Uda, Office of Budget and Program Planning and speaking in behalf of the Governor stated he strongly supports this measure. She asked the committee to give this a Be Concurred In recommendation.

#### QUESTIONS FROM THE COMMITTEE:

Senator Kolstad asked Roger Tippy from the Legislative Council to explain that the Appropriations Committee do not have this yet.

Roger stated perhaps the best way to proceed is to ask Senator Thiessen, Chairman of Appropriations Committee, to see if there will be enough in the budget for this.

Senator Lowe asked Mr. Carroll, how do you get this \$150,000?

Mr. Carroll stated the \$150,000. is broken down into three federal fiscal periods of \$50,000 each for '77, '78, and '79.

Chairman Hazelbaker stated what the bill is really calling for is \$400,000.00.

Mr. Carroll stated that is correct, Mr. Chairman.

Senator Lowe asked Mr. Delano, don't the railroads know what railroads are losing money?

Mr. Delano stated yes they do. He thinks the plan can be done for less money, but that is his own personal opinion.

Mr. Carroll stated this program began in the latter part of December and it took him a month to get the State Rail Plan and he had no idea what the budget would be on HB 525. By the time he did get his figures, the Governor had already submitted his budget.

Mr. Carroll referred the committee to page 22 of the Montana State Rail Plan book stating that the State of Montana is not in favor of a long-term rail service subsidy program funded only by the State.

Roger Tippy asked Mr. Carroll in section 28, are all the rules DCA intends to promulgate pretty well sketched out for the next two years?

Mr. Carroll stated the rules will be no more than necessary to implement this.

Chairman Hazelbaker asked would those be formulated with the APA?

Mr. Carroll stated in direct adherence, Mr. Chairman.

Senator Kolstad stated he thinks this is a very important concept. He made a motion that HB 525 Be Concurred in and immediately sent to the Finance and Claims Committee. Senator Devine seconded. Roll call vote. 5 yes, 1 no.

ADJOURN: There being no further business, Chairman Hazelbaker adjourned the meeting at 11:35 a.m.

  
FRANK W. HAZELBAKER, CHAIRMAN

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COMMITTEE

BILL AB 837

VISITORS' REGISTER

DATE 4-7-77

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
John Delano	Mont R R Assn	HS 25		
GEN CARROLL	Governor's Office	H.B. 525	✓	
Jean Uda	Budget + Program Planning	HB 525	✓	
James Madison	Dept of Revenue	837		
Joe Brand	Self	837	✓	
W Byron Roberts	Self of Comm Affairs	525		

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

Business & Industry COMMITTEE

Date 4-7-77

[illegible]

SENATE COMMITTEE Business & Industry

Date 4-7-77 House Bill No. 525 Time 4:35 PM

NAME	YES	NO
Pat Regan, Vice Chairman		
Allen Kolstad	✓	
Pat Goodover		
Bill Lowe		✓
Jack Devine	✓	
Sandy Mehrens	✓	
Bob Peterson	✓	
Frank Hazelbaker, Chairman	✓	

Erminia C. Fancher  
Secretary

Frank W. Hazelbaker  
Chairman

Motion: Be Concurred In in Concept  
And Re-referred to Finance  
And Claims.

(include enough information on motion--put with yellow copy of committee report.)

# STANDING COMMITTEE REPORT

April 7

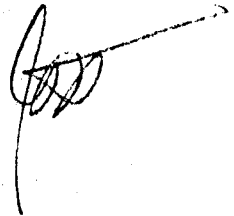
19 77

MR. President

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE Bill No. 525

Respectfully report as follows: That HOUSE Bill No. 525



BE CONCURRED IN IN CONCEPT AND BE-REFERRED TO FINANCE AND CLAIMS

~~DO PASS~~

# STANDING COMMITTEE REPORT

April 7

19 77

MR. **President**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **HOUSE** Bill No. **837**

Respectfully report as follows: That **HOUSE** Bill No. **837**

BE CONCURRED IN

~~DO PASS~~



*Exhibit A.*

# MONTANA STATE RAIL PLAN



P  
H  
A  
S  
E  
1

PLANNING  
WORK STATEMENT

*Exhibit B.*

Line No.	Montana Light - Density Rail Segment	Rail Miles (1)	Grain Elevators (2)	Stations (3)
<u>BURLINGTON NORTHERN, INC.:</u>				
1.	Bainville to Opheim -- Segment No. B-1 --	146.8	25	18
2.	Sidney to Richey -- Segment No. B-2 --	49.4	5	4
3.	Glendive to Brockway -- Segment No. B-3 --	63.7	4	7
4.	Snowden to Glendive -- Segment No. B-4 --	79.8	2	10
5.	Beach, N.D. to Carlyle -- Segment No. B-5 --	7.4	1	1
6.	Glasgow to A.F.B. -- Segment No. B-6 --	18.8	-	1
7.	Brazil Creek Spur -- Segment No. B-7 --	22.8	-	-
8.	Saco to Hogeland -- Segment No. B-8 --	78.8	2	7
9.	Colstrip to Cow Creek -- Segment No. B-9 --	4.4	-	1
10.	Mossmain to Rapelje -- Segment No. B-10 --	37.7	3	4
11.	Silesia to Red Lodge -- Segment No. B-11 --	34.5	2	7
12.	Moccasin to Lewistown -- Segment No. B-12 --	30.8	-	4
13.	Mission to Wilsall -- Segment No. B-13 --	22.7	2	4
14.	Manhattan to Anceney -- Segment No. B-14 --	15.1	-	4
15.	Sappington to Harrison -- Segment No. B-15 --	10.0	1	1
16.	Whitehall to Alder -- Segment No. B-16 --	45.3	-	6
17.	Helena to Basin -- Segment No. B-17 --	42.1	-	10
18.	Vaughn to Augusta -- Segment No. B-18 -- <u>1/</u>	41.6	-	6
19.	Power to Pendroy -- Segment No. B-19 --	51.3	5	9
20.	Valier to Conrad -- Segment No. B-20 --	20.0	4	4
21.	Stryker to Eureka -- Segment No. B-21 --	22.3	-	4
22.	Columbia Falls to Somers -- Segment No. B-22 --	24.9	2	4
23.	Missoula to Darby -- Segment No. B-23 --	65.2	3	16
24.	<u>SUB-TOTAL -- B.N. INC.:</u>	935.4	61	132
<u>MILWAUKEE ROAD:</u>				
25.	Lewistown to Winifred -- Segment No. M-24 --	44.2	3	6
26.	Lewistown to Heath -- Segment No. M-25 --	10.5	-	1
27.	Three Forks to Bozeman -- Segment No. M-26 --	38.4	-	6
28.	Agawam to Great Falls -- Segment No. M-27 --	65.7	5	6
29.	Bonner Jct. to Bear Creek -- Segment No. M-28 --	35.8	-	7
30.	<u>SUB-TOTAL -- MILW R.R.:</u>	194.6	8	26
<u>SOOLINE RAILROAD:</u>				
31.	Westby to Whitetail -- Segment No. S-29 --	56.9	5	7
<u>MONTANA TOTALS -- ALL SEGMENTS:</u>		1,186.9	74	165
<u>PER-CENT OF STATE TOTALS: <sup>2/</sup></u>		20.6%	27.2%	22.4%

1/ Abandonment Pending Before Interstate Commerce Commission.

2/ Total Mileage B.N. 4,395; MILW 1m310; SOOLINE 56.9; Total Elevators 272;  
Total Rail Points 735.