

March 20, 1979

The House Natural Resources Committee convened on March 20, 1979, at 4:30 p.m., in room 3 of the Capital Annex, with Chairman Shelden presiding and sixteen members present (excused were Reps. Harper, Huennekens and Quilici) to take executive action on the following bills:

EXECUTIVE SESSION

SENATE BILL 515 Copies of a proposed letter of intent, exhibit 1, were passed to the committee members. This letter was prepared by the researcher, Debbie Schmidt, working with Mr. Leo Berry, State Lands, for the committee. Rep. Johnston moved the letter of intent be accepted. This motion carried with Rep. Cooney voting no and absent same as above. Rep. Johnston then moved the bill as amended by the three State Lands' amendments (exhibit 2) be concurred in. The motion carried. Rep. Quilici had left a vote for the bill as amended; Rep. Huennekens had left a vote against; Rep. Harper, absent. The members present voted unanimously for the bill.

SENATE JOINT RESOLUTION 8 Chairman Shelden said he had planned to have Vice-Chairman Harper take the chair but he was unable to be present. Passed to the committee members was SJR 8 with the proposed amendments inserted (exhibit 3). Rep. Shelden said the rereg dam at Libby is part of the larger LAURD project. He said a question is raised if the 250 to 270 million that will be spent is money well spent. He said a court case in Butte found that Congress has never authorized the rereg dam but only the present four generators. He said a court in San Francisco supported that decision. In the meantime Senators Melcher and Baucus and Rep. Williams are investigating the Corps figures. They have asked the GAO to do this and that is where they are now. He said the present Libby Dam is in his opinion a very efficient operation--no problem there. The problem is with the plan to add four more generators and change it to a peaking operation. Is that electricity needed as peaking power versus the present base load and peaking operation? By the 1964 treaty with Canada, Canada can divert 1 1/2 million acre feet per year out of the Kootenai and this would accordingly reduce 18% of water at the Libby Dam. Canada may not do that or it may negotiate with us for some substantial amount of money. It is Canadian water. There is a question of need--there has not been sufficient investigation of the effect of such things as higher electricity rates, etc., on peaks. It is much easier to do something about peaking than base load. Base load is coming up--no question. LAURD is a small project compared to the Colstrip proposed project. He said all he is asking with these amendments is that consideration is taken of the situation and the congressional investigation and see what they find. If they find a positive cost ratio--go ahead with the project; if they don't, Rep. Shelden said he hoped we would say we don't want it. If we want a lid on federal budgets, we have to look at some of the spending.

Rep. Johnston questioned how come Senator Melcher at one time said the rereg dam was authorized and now says it isn't. He said the main dam was designed for four more generators and quite a few REAs are interested in the project. He said they need an even flow of the river. Rep. Johnston said he would like to keep the original wording in the resolu-

Rep. Sheldon responded the four generators have a fairly even flow. If they put in more generators the rereg dam will be needed to even the flow. He said we are getting the maximum use out of the water without any additional generators.

Rep. Curtiss asked if the four generators aren't being put in place right now. She read from a Corps fact sheet that indicated the extra four have been funded, and a statement from Senator Melcher saying the extra generators and rereg dam were legally authorized by Congress and the Executive Branch regarded it as being so.

Rep. Sheldon said the courts have found that it is not authorized. Appropriating money is not the same as authorizing. This is part of what the GAO has been asked to check into. He said it seems to him that we should at least pause and leave ourselves an opening if they find it is not an economic project.

Rep. Scully said he didn't have too much trouble with the amendments but he questioned what is a positive cost benefit ratio. What benefits at what costs? Rep. Sheldon said the only pay back will be the electricity they sell--same amount as they are selling now because there is no extra water. Only question is the value of the two kinds of electricity--is it worth that much money.

Rep. Scully moved the amendments be adopted. Rep. Metcalf called for the question and a roll call vote was taken. The motion carried with 12 yes, 6 no (Burnett, Curtiss, Iverson, Johnston, Spilker, Thoft) and 1 absent (Quilici). Reps. Harper and Huennekens had left their vote. Rep. Metcalf moved that SJR 8 as amended be concurred in and this motion carried with Rep. Cooney voting no and all other members for. All the absent had left votes to be cast for the resolution as amended.

SENATE BILL 323 Rep. Scully said he had been absent when the amendments were put on this bill on March 19. He felt the amendments added by the committee at that time exempted more than intended. He said we should go back to the original language and in sub "c" page 4 only exempt natural gas. He said this would take care of the problem with the court case and not open the door to small gasification plants. Rep. Scully said he would do this amending on second reading but he wished the committee to know what he was doing and why. Rep. Johnston moved that Rep. Scully do this on second reading. Motion carried unanimously with those present.

Meeting adjourned at 5:30 p.m.

Respectfully submitted,


ARTHUR H. SHELDEN, Chairman

Emelia A. Saire, Sec.