

The Natural Resources Sub-Committee on HOUSE BILL 16 met on Tuesday, January 20, 1981, in Room 431 with CHAIRMAN SALES, and REP. QUILICI AND REP. COZZENS present.

CHAIRMAN SALES reiterated that the job of the Sub-Committee is to come up with something agreeable to the oil industry and the sponsor of the bill. Also emphasized that this bill is for purposes of monitoring and not forecasting. Further stated that the Interim Committee did not want to get into forecasting and that forecasting is not the intent of this bill. REP. COZZENS stated that the title of HB 16 emphasizes that fact. LEO BERRY, Director of the Department of Natural Resources, also said the bill is for monitoring only and not forecasting. CHAIRMAN SALES asked if a statement included in the act would be agreeable with the Department. The answer was yes. DEBBIE SCHMIDT of the Legislative Council staff explained what a statement of intent actually is i.e. not part of the law but rather an attachment to the law.

JOHN BRAUNBECK of the IOMA questioned line 20 of page 1 and the use of the word regularly. REP. TOM ASAY also didn't approve of the use of the word demand in the same sentence.

REP. QUILICI said that without monitoring the supply and demand, we have no way of knowing what is available. DON ALLEN of the Montana Petroleum Association felt that demand has nothing to do with it and that there is no need to gather further information.

MR. BERRY again reiterated that the key word is "monitor". He said this is an information bill and with the information gathered the state government can tell what is where.

CHAIRMAN SALES said again that there should be some language in the bill that says it is not for forecasting but for monitoring only. DEBBIE SCHMIDT said that could be worked out.

During the discussion on whether or not to leave in or delete the terminology of prime suppliers, jobbers, etc., MR. BERRY stated that the very small users are not covered under this bill anyway. His Department is trying to develop trends by collecting information that will assist.

REP. QUILICI stated that in some way we all want this to be as simple as possible. Asked where we could get this type of information if not from the suppliers?

TEX PATE answered that only the figures from the main petroleum suppliers and refineries would be accurate. DON ALLEN said that what is needed is inventory. Perhaps an annual report would be as useful as a monthly one.

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CHAIRMAN SALES asked if there is a duplication of reporting.
REP. QUILICI said that's what is trying to be avoided.


JOHN BRAUNBECK discussed the problems handled by them in 1977 with crude oil supplies. Said the crisis was solved by the oil industry and state government working together. Stated that since 1973 there have been federal regulations requiring major oil companies to report.

It was decided that each side would work up some amendments to this bill and get together again to see if some compromise can be reached.

Next meeting was scheduled for January 21, 1981, at 1:00 p.m.

Meeting adjourned at 3:55 p.m.

Respectfully submitted,



WALTER SALES, CHAIRMAN

Ellen Engstedt, Secretary