

MINUTES OF THE MEETING OF THE HIGHWAYS AND TRANSPORTATION COMMITTEE
FEBRUARY 5, 1981

The House Highways and Transportation Committee convened in Room 437 of the Capitol Building on Thursday, February 5, 1981, at 12:30 p.m. with CHAIRMAN PAUL KROPP presiding and twelve members present (REP. BRAND was excused and REPS. ANDERSON, FABREGA, and OBERG were absent).

CHAIRMAN KROPP opened the hearing on SB 79.

SENATE BILL 79 SENATOR DOVER presented this bill which would require the Division of Motor Vehicles to publicize the special parking permit provisions for handicapped persons and to budget for such advertising. SENATOR DOVER said the request for this bill came from both the handicapped and the people in authority who need some way of trying to enforce parking areas. The plan would be to use posters in driver examination stations and radio spot ads for a period of time. The cost of the permit is \$2 and is purchased only once.

Speaking in favor of the bill was LARRY MAJERUS of the Motor Vehicle Division of the Department of Justice.

There were no OPPONENTS.

During questions from the committee, REP. WINSLOW asked how much the program would cost. The answer was \$600 in the current fiscal year and \$150 in the next one.

SENATOR DOVER closed on SB 79.

The hearing closed on SB 79 and opened on HB 547.

HOUSE BILL 547 REP. CARL SMITH presented the bill which would allow signs or displays that advertise cultural exhibits of nonprofit historical organizations to be erected in proximity to highways. REP. SMITH explained the problem the Range Riders Museum in Miles City is having with its sign and the Department of Highways.

JACK DEIBEL, representing the Range Riders, gave the committee a brief overview of the organization and the museum.

REP. JOHN RYAN said the signs are a necessary part of the history of Montana as is the museum.

SENATOR DON OCHSNER of Miles City said it is a nice museum and the signs are needed to help keep both the museum and history going.

MONS TEIGEN of the Montana Stockgrowers has been involved in the sign controversy and wonders if this sign really does violate the beautification law of the federal government.

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PAT UNDERWOOD, representing the Montana Farm Bureau and WIFE, supported the bill.

ALICE FRYSLIE of the Montana Cattlemen's Association spoke in support.

BOB ARCHIBALD, Director of the Montana Historical Society, supported the bill.

J. D. HOLMES, representing the Montana Institute of the Arts, supported the bill and requested an amendment be made to add "or arts" in two places.

HAL STERNS, Montana Heritage, said the museum is too valuable to lose and the signs are a definite part of its advertising.

Speaking for the Department of Highways was BEATE GALDA who said if we do not comply with the federal guidelines, we lose federal funding. Federal law provides that we can have a more stringent law or standard but not less than the federal. There are size limitations and message content requirements. The sign must be no more than 50 air miles from the attraction on a primary highway and no more than 75 air miles on an Interstate. The Department of Highways has suggested different sites for the Range Riders sign. She asked that Sub-section F be amended to include the federal regulations.

There were no other opponents.

During questions from the committee, REP. METCALF asked if there is a grandfather clause that would apply to the sign in question. MS. GALDA said not for this particular sign because it has not been there long enough.

REP. IVERSON asked if the department seriously thought funding would be lost over one sign. JIM BECK, attorney for the Department of Highways, said similar instances had happened in other states resulting in a loss of funding.

MR. DEIBEL considered the issue blackmail on the part of the federal government. The sign is erected on private property.

REP. SMITH closed on HB 547.

The hearing closed on HB 547 and opened on HB 506.

HOUSE BILL 506 REP. VERNER BERTELSEN presented the bill which would require the state, political subdivisions, school districts, and the Department of Highways to purchase and use re-refined lubricating oil when the oil is reasonably available and meets specifications for quality. There is about one billion gallons

of used oil in the United States every year. Some of it is burned, some is used in paving and some is just wasted. Harmful elements in the oil are added to the air when burned. Montana alone has available about 400 million gallons of used oil. There are currently some active re-refiners in the country. In using oil some of the impurities are removed and it does not wear out. This makes re-refined oil better for some things. HB 506 would establish some mandatory situations in which public agencies i.e. Department of Highways would have to use re-refined oil. He indicated there would not be any special fiscal impact at all.

TERRY CARMODY, Executive Director of the E.Q.C., said this bill was requested by his agency. The Environmental Quality Council is very concerned about energy. Re-refined oil only takes 25 percent as much energy to produce as crude oil.

CHRIS OBENAUER spoke as a proponent of the bill. See Exhibit 1.

OREN MELTON of Ekotek gave a detailed overview of the process of re-refining and background information on the process. Only 10 percent of the oil used is used again. There is a problem getting the public to use the product even though it has passed tests proving it is good.

BILL GOSNELL of the Energy Division of the Department of Natural Resources supported the bill also. His division is working on a program now which would enable them to use re-refined oil. They have started a public information program on the subject.

DON ALLEN, Montana Petroleum Association, said that with as much oil as we import, if we can save some energy and use this type of product, it is a smart thing to do.

JIM BECK, an attorney for the Department of Highways, proposed an amendment on page 3, after line 14 ";, subsection D will not satisfy the warranty requirements of a manufacturer of motor vehicles or other machinery in which the oil is placed". If a problem occurred, the department would have the option of not using the re-refined oil.

VIC ANDERSEN, of the Department of Health, supported the bill because of the waste and disposal problem of used oil in Montana. This would establish another way to get rid of the waste.

DON STANAWAY, Montana Automobile Distributors, said it would do away with the waste of oil. He would like to see some program to properly use re-refined oil.

Written testimony from the LEAGUE OF WOMEN VOTERS is attached as Exhibit 2.

Speaking as an opponent was LUTHER GLENN, representing the Department of Administration. He felt more information is needed from the oil industry. He further stated that placing the burden on a department, school district, or political subdivision as to why they are not using re-refined oil poses a problem. A great deal of work done by these agencies is on a bid basis. He said he was in favor of the intent of the bill, but some changes should be made.

MIKE STEPHENS, Montana Association of Counties, said some sections have a great deal of merit, but others would make it difficult for counties because of the burden placed upon them to buy re-refined oil in all cases.

During questions from the committee, REP. SHONTZ asked how much it would cost the state for each collection tank needed. RUSSELL WRIGG of the Department of Highways said it would cost about \$800 each.

REP. SHONTZ asked how many companies are in a position to re-refine. MR. CARMODY said there are companies in Salt Lake, Spokane and Canada now re-refining oil.

REP. SHONTZ then asked if it is fair to lock government into this type of arrangement. What if the product gets too expensive? REP. BERTELSEN said the bill states it would be used when "reasonably available".

REP. BERTELSEN closed on HB 506 by saying this is the chance for the state to start the process of using re-refined oil. The question is whether we want to start the process or just suggest it.

The hearing closed on HB 506 and opened on HJR 19.

HOUSE JOINT RESOLUTION 19 REP. VERNER BERTELSEN, chief sponsor, presented the resolution which would urge state purchasing offices and the Department of Highways to purchase re-refined oil that meets quality specifications. He proposed an amendment which would add counties on page 4, line 6.

JIM BECK of the Department of Highways asked that the bill be amended in two places to change Highways to Administration i.e. page 1, line 7 and page 3, line 13. Also on page 3, line 17 he would like Highways amended to read Department of Natural Resources.

There were no OPPONENTS.

During questions from the committee, REP. SHONTZ asked why the changes from Highways to Administration. MR. BECK replied that

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the Department of Highways uses what is purchased for it. If re-refined oil is purchased by the Department of Administration, it will be used.

REP. BERTELSEN closed on HJR 19. The hearing closed on HJR 19.

EXECUTIVE SESSION HOUSE BILL 145 REP. MEYER moved DO PASS on the amendments. It passed unanimously. REP. METCALF moved DO PASS AS AMENDED on the bill. PASSED with REP. HARP opposing.

SENATE BILL 79 REP. SHONTZ moved DO PASS. The bill PASSED with REP. STOBIE opposing.

HOUSE BILL 547 REP. MEYER moved DO PASS on the amendments. Amendments PASSED. REP. STOBIE moved DO PASS AS AMENDED on the bill. It PASSED with CHAIRMAN KROPP abstaining.

The committee decided to send a letter to Montana's congressional delegation explaining its action on HB 547 relating to the Range Riders Museum sign. It felt the threat of withholding federal funds for the placement of one sign was unfair and protested the threat by letter.

The meeting was adjourned at 2:20 p.m.

Respectfully submitted,



PAUL KROPP, CHAIRMAN

Ellen Engstedt, Secretary

VISITORS' REGISTER

HOUSE HIGHWAYS & TRANSPORTATION COMMITTEE

ILL HB 506

Date 2/5/81

SPONSOR BERTELSEN

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
Russell Wriggs	Helena	Highways	N/A	
Mike Matic	HELENA	Env. Info Ctr	✓	
Chris Oberhauser	BUTTE	A&I Dist.	✓	
DREN MELTON	SALT LAKE CITY	EKO TEK	✓	
Tom Stancavage	Billings	A+I Distributors	✓	
W S Gosnell	HELENA	DNRC - Energy	✓	
Eric Andersen	Helena	Dept of Health & ES	✓	
Harrell Lobb	Butte	A&I Dist	✓	N/A
Ann Wilkshack	Helena	AERO	✓	
Don P. Johnson	Helena	Service	✓	
Terry Bermody	EE Helena	EQE	✓	
Mike Stephen	Helena	MACO		X
Don Allen	Helena	Mt. Petroleum Center	✓	
Luther Glenn	Helena	Dept Admin		✓

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HOUSE HIWAYS & TRANSPORTATION COMMITTEE

Date 2/5/81

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

PRESENTATION AS GIVEN TO THE
MONTANA STATE HIGHWAY COMMITTEE

Concerning House Bill # 506

(Usage of re-refined oil by)
(VARIOUS STATE AGENCIES)

By Chris P. Obenauer - Feb. 1981

Mr. Chairman and members of the State Highway Committee; Representative Bill Harbrecht has introduced House Bill # 506 on the research and recommendation of the Environmental Quality Council.

House Bill # 506, would require the Department of Highways, and other state agencies to adopt regulations and encourage the utilization of re-refined oil for all state requirements wherever practical, available, competitively priced and meeting automotive manufacturers specifications.

I believe that House Bill # 506 follows the guidelines set down by the Energy Policy and Conservation Act of 1975, Title III, Part C, Section 362B. This Act encourages each State to prepare and implement a plan to achieve a significant reduction in energy consumption. FEA includes among a list of suggested other programs - used oil recycling. Financial assistance will be available to states whose energy conservation plans are approved by FEA.

I should like to cite for you now, some facts surrounding the Waste Oil Problem, both in Montana and our nation. A portion of these problems can be eliminated through House Bill # 506.

1. Approximately 1.1 billion gallons of used oil a year, are disposed of in this country in ways that are harmful to our environment. A 1971 data sheet lists waste oil generated by Montana at 4,191,070 automotive gallons and 503,289 gallons from stationary industrial sources.

2. Little, if any, of this valuable resource is channeled back to a legitimate re-refiner. Most of the oil picked up in the state is used as a dust treatment for roads, burned, or hauled to the dump. Some is even poured down the sewers.
3. In all cases we citizens eventually end up with it in our streams, our lakes, and our water supply. Indiscriminant burning of untreated waste oils cause severe air pollution and contribute to respiratory problems. (Note) Less than 10 % of oil used as a dust treatment remains after one year's time and the burning of waste oil untreated and cleaned causes many metallic oxides, some in the form of arsenic gas to be released in the air.
4. The first re-refining process for oil was built in Chicago in 1915, 56 years ago and has evolved right along with the virgin oil industry in spite of many handicaps placed on it by the major oil industry who in the early times sought a marketplace for the then very inexpensive foreign crudes. Re-refined oils use additives supplied by the same companies that supply the virgin lube oil market. Major railroads, airlines, industries and the Air Force have been using re-refined oils for many, many years with excellent results and great savings.
5. Seventeen states have already enacted and passed legislation to promote the use of re-refined oils wherever possible. Some of those close to us are Arizona, Utah and California. Many more will, and should pass legislation this year. The city of San Diego has used re-refined oil for years and even have their own processing plant.

Closer to home the city of Great Falls implemented their own program a year ago and have been using re-refined fleet oil 15w/40 and hydraulic oil ever since. They have set an example for the state that is well worth following.

As can be noted from this brief presentation, the "re-use" of oil is an environmental and economical must for our state. As a nation, and state, we can no longer afford to discard a very valuable resource and continue to pollute the environment. As an example, if all the waste oil our nation now dumps could be recycled to usable and acceptable grades of lube stocks and other by-products we could generate a surplus exceeding our necessary requirements from the Arab states.

For such a program to be effective, it will be necessary for the Federal Government, The state of Montana and other states not yet committed to this program to set a positive example. By implementing the use of re-refined oils, which meet automotive and industrial manufacturers specifications, in all state vehicles with a positive aim to the collection and recycling at the state level you will encourage the private sector to do likewise.

I feel that re-refined oil is a very sensible approach to several very pressing problems.

1. It is an aid in safeguarding our environment now and for future generations of Montanans.
2. Re-refined oil has a history of being competitively priced, usually offering substantial savings to the consumer.
3. This provides a means to conserve our rapidly dwindling crude stocks.
4. Recycling used oil offers a returnable resource to our economy as we recycle metals, paper, and our drinking water.

As a citizen and native of this state I ask this committee to endorse House Bill # 506 to safeguard our environment, aid our economy and preserve our resources for our future generations.

Thank you.

LEAGUE OF WOMEN VOTERS OF MONTANA

Testimony supporting HB 506: An Act Requiring the State, Its Political Subdivisions, School Districts, and Particularly the Department of Highways to Purchase and Use Rerefined Lubricating Oil...

February 5, 1981

The League of Women Voters has had a strong position in favor of energy conservation since 1975. Rerefining lubricating oil is an excellent way to make each gallon of oil go a little farther, thus conserving an increasingly scarce resource. We ought to be doing all we can to reduce our dependence on imported oil. Better utilization of the supplies that we have will help in this goal. For these reasons we urge you to pass this bill.



Ford Parts and Service Division
Ford Motor Company

P.O. Box 1805
Dearborn, Michigan 48121

May 3, 1977

Mr. Vic R. Andersen, R. S.
Solid Waste Management Bureau
1400 11th Avenue, Suite A
Helena, Montana 59601

Dear Mr. Andersen:

We have received your recent letter and appreciate your interest in writing us.

In answer to your inquiry, the re-refined oil that you may want to use in your Ford fleet would have to meet Ford Motor Company's specification ESE-M2C-144-A when used with the drain intervals specified in the Owner's Manual. Any claims of the oil meeting this specification would be the responsibility of the supplier or the oil re-refiner. Re-refined oil can be formulated to meet Ford specifications, however, the base stock may vary from batch to batch making quality control a problem.

~~The warranty status of your fleet vehicles would be affected if engine problems arose in the vehicles which could be attributed to the use of re-refined oil that did not meet Ford specification ESE-M2C-144A.~~

We appreciate the time you have taken to write and hope this information will be of assistance.

Sincerely,

A. S. Wilson
Owner Relations

abm