

MINUTES OF THE HOUSE LABOR AND EMPLOYMENT RELATIONS COMMITTEE
March 10, 1981

The House Labor and Employment Relations Committee convened at 12:30 p.m., on March 10, 1981, in Room 129 of the State Capitol with Chairman Ellerd presiding and all members present except Rep. O'Connell who was absent.

Chairman Ellerd opened the meeting to a hearing on the following bills: SB 226 and 428.

SENATE BILL 226

SENATOR JACK HEALY, District 44, chief sponsor, introduced the bill and a copy of his testimony is EXHIBIT 1 of the minutes.

BILL KIRKPATRICK, Missoula, Champion International, spoke in support. He said he had a further interest in this bill as he has two sons that have been employed as tree thinners during the summers. He said the average take-home pay after all expenses has been \$50 a day. He said Champion plans to raise that to \$65 a day this year. He said some get more depending on how hard they work. He said due to the questions asked in the Senate committee he had prepared a question and answer sheet and a copy of this is EXHIBIT 2 of the minutes. He said the problem is that the Employment Security Division concluded that tree thinners could not be classified as independent contractors because of the abc rule. A further discussion of the bill is found in EXHIBIT 3 of the minutes.

ROBERT N. HELDING, Wood Products Association, said he concurred in what Mr. Kirkpatrick has said. He said one of the big problems in their industry is to do a lot of thinning. He said when he was in Libby there was quite a program that was more or less directed toward college students. He said it is a good program. He said they expect to return to a logged area in 60 to 70 years so they must carry on good management in-between times. He said they find they need to go to the independent contractor thinning arrangement as the cost would otherwise be prohibitive. He said this causes a better forest as years pass. He said it is also quite an assist to a college student as the student gets a chance to regain the work ethic and get money to go back to school. He felt it was a good bill.

KEITH OLSON, Kalispell, Montana Logging Assn., said failure of the bill would translate into a future loss of jobs in the timber industry. He urged a be concurred in recommendation. A copy of his testimony is EXHIBIT 4.

CLYDE SMITH, Kalispell, Smith Logging said the bill serves a duofold purpose as it promotes good forest management and it is going to give a lot of college kids summer jobs.

WILLIAMS CUDDY, Thompson Falls, Cuddy Logging Inc., spoke in support of the bill. He said the time has come when we have to utilize all the forest land to produce all the timber it can.

JIM MURRAY, Executive Secretary of the Montana State AFL-CIO, spoke in opposition and a copy of his testimony is EXHIBIT 5. Part of his exhibit includes a letter addressed to Senator Healy from Billy H. Brothers, Executive Secretary Inland Empire Dist. Council at Kalispell.

JERRY DRISCOLL, Billings, Laborers' Union, spoke in opposition as he said the bill shifts the burden of paying the workers compensation from the employer to the employee. He said the tree thinners would have a hard time meeting the premium payments.

KATHY VAN HOOK, Helena, UFCW. Local 1981, spoke in opposition. She said she had the fun of thinning trees during a summer when she was a college student. She said it was the most dangerous work she had ever performed and not as well paying as the proponents would have one believe -- could not have afforded to pay for workers' compensation.

Questions were asked by the committee. Rep. Underdal asked what the Workman's Compensation rate would be. Mr. David Hunter, Commissioner Designee for the Labor Department asked Mr. Bud Pillen of the Workers' Compensation Division to respond. Mr. Pillen said \$18.85 per hundred of payroll.

Rep. Harrington asked if this is a necessary thing. Mr. Kirkpatrick said not essential but important. The \$65 average return is exclusive of all expenses including premiums for workmans' compensation. Rep. Harrington asked if there will be more bills to exclude other workers from workmans' compensation. Mr. Kirkpatrick said he didn't believe there is any foundation to that statement. He said newsboys were exempted and that did not result in any rush. He said there is no program where they are going to deprive the people of workmans' compensation as he said their company would have to sustain the burden anyway. Rep. Harrington felt that newboys couldn't be compared to tree thinners. Mr. Kirkpatrick said newsboys receive neither workmans' compensation or unemployment insurance and the tree thinners will not qualify for unemployment as they work only the summer months and then return to school. Rep. Harrington asked how many are students. Mr. Kirkpatrick said about 90% are students.

Rep. Pavlovich asked if Champion is the only company involved with tree thinners. Mr. Kirkpatrick said Champion does a lot of it although there are other companies like St. Regis. He said his kids have done it for four years. He said the problem arose when the Employment Security Division notified the companies that tree thinners couldn't work as independent contractors because of the abc rule in the law.

Rep. Keyser asked if this would affect the case pending before the Missoula court. Mr. Holding said Champion's legal staff is handling that. Mr. Kirkpatrick said it would have no effect on the case mentioned by Mr. Murry. Mr. Harrington questioned this as wouldn't this bill clear the way so the company would not have to pay workers' compensation. Mr. Kirkpatrick said the point he is attempting to make is that it would have no effect in the future because if they did not get the law amended there will be no more employment for tree thinners because of the cost effect. And because of that the forests would

not be managed as they should be. Mr. Murry felt the bill was an attempt to circumvent the judicial process. He said if the courts decide to uphold the decision of the Security Division it would not affect the 160 people at this point but from now on it will. He felt the bill was taking benefits from workers and changing the concept of employee paid benefits to that of an employee not paid benefits. It shifts the responsibility.

Rep. Harper asked how this could be done? Mr. Kirkpatrick said with the bill they are excluded as employees but not listed as independent contractors under the existing law. Rep. Harper asked about supervision. Mr. Kirkpatrick said they are usually in groups of three and operate throughout the forest of western Montana. He said if the company had to provide supervision it would probably cost as much as the individuals themselves. Rep. Harper asked what the contracts covered. Mr. Kirkpatrick said they receive a contract for a bid plot. He said their foresters are able to estimate how much a tree thinner can do and still provide him with the average take home pay. He said his kids averaged \$75 when it was \$50 and some do better and some make less if they dog it.

Rep. Harper asked how this changed the Workman's Compensation and what kinds of problems could be run into. Mr. Pillen said it was their understanding that the companies will guarantee the workmens' compensation for these people. He felt it would be impossible for an insurance carrier to look at each individual one and the individual tree thinners would have a problem coming up with the needed deposit (about \$600). But he felt they would be covered.

Rep. Harper asked if the passage of the bill would lower the rate the companies would be required to pay. Mr. Pillen said the company has testified it plans to pay the company rate in addition to the average earnings so it will increase their overall cost for workers' compensation. Mr. Holding reminded them they are speaking not of wages but a contract.

Chairman Ellerd said there was a difference on the question of whether the tree thinner is an independent contractor or an employee. You have to be one or the other. Mr. Holding said when the Employment Security Division changed its interpretation of the abc rule it regarded tree thinners as employees. The question is whether we are able to exclude tree thinners from the definition of employment so we can continue to handle them as independent contractors. He said you can't be both. Mr. Murry said this is a problem they have with the timber industry who attempt to make independent contractors of as many workers as they can. He felt this decision on the tree thinners should be left up to the courts to decide. He said this process takes workers protection away and these people need that coverage.

Mr. Kirkpatrick said he felt there has been a little misunderstanding. He said there are 12 classifications that have been included in the

list of exceptions in the definition of employment and this would add a 13th. They will not be independent contractors and not employees. They will be like public officials, an exception on the same basis.

In reply to a question from Rep. Harrington, Mr. Holding said the company would provide them enough money so they can buy their own workers compensation as they have to prove they have this before going to work.

Rep. Seifert asked if this could be handled similarly to the way the forest service handles it by putting it out for bids and awarding contracts. Mr. Holding said it had always been handled this way until the Commission changed its mind. Rep. Seifert suggested a bond to take care of workmans' compensation. Mr. Holding said there is a group process that is very favorable and he felt it could be arranged.

Rep. Underdal asked if they employ anyone under 18. Mr. Pillen said he would hesitate to make a contract with anyone under 18. Mr. Kirkpatrick said they require they be at least 18 before employment. He said he can guarantee there will be no tree thinners without workers' compensation if this bill passes and if it doesn't there will be no tree thinners to be concerned about.

Senator Healy, in closing said the bill was in the mill before he realized there was any opposition. He said he introduced the bill to help employment especially of the college students. He said he has been a member of the miners' union for many years. He said if he had thought this would harm labor he would not have touched it. He said labor knows where he has always stood. He questioned the letter mentioned by Mr. Murry and attached to his testimony. He said he keeps a file on his labor correspondence and could not recall receiving this one. He felt there was some sort of misunderstanding.

HOUSE BILL 428

SENATOR THOMAS F. KEATING, District 32, chief sponsor, said the bill was to revise and clarify the provisions relating to fees charged by employment agencies. He said a number of years ago the Legislature decided employment agencies, as they were new, required some sort of controls or watch dogging and so passed the Employment Agency Act which allowed the Department of Labor to keep tabs on them. They had to submit contracts for approval, certain fee schedules and there were numerous other controls. He felt the industry has now established itself as a quality industry that is helpful to people. He said the bill will relax some of the controls of the Department of Labor and give this field a little more freedom to work. Section 1 deals with the contract between the employment agency and the new fee that the applicant will be charged. It will be determined by the amount of money he will be earning on the first year on the job. It will be a single fee as he is not entering into a long term thing. Once the fee is paid the employee is free from the contract. The repealer on page

3, section 4, is of the fee schedule that was placed into law whereby a certain percentage of a monthly income would be charged by the agency. With the bill it will be between the applicant and the agency. The present fee schedule is not consistent with the higher wages being paid. Page 3, line 5 guarantees if employment ends in less than 100 calendar days the fee charged will be reduced 1% for each calendar day remaining. Senator Keating said they have received a letter from Dorothy J. Howe, Director of the Division of Human Rights of South Dakota, (EXHIBIT 6). He said they are in the process of repealing their whole act. Senator Keating said this in no way affects our Job Service. Applicants are free to use agencies but are in no way forced to use them.

PAUL KELLER, Helena, Private Employment Association, said the fact there are so many private employment agencies shows the necessity for these people. The fact that they have succeeded in as many places and the number of people they have placed also indicates this and so they should be fostered rather than curbed. He felt decontrol was needed so they could work in a free market. Competition would take care of them. He felt the bill was important to a great many people.

JOANN PEAVEY, Billings, Private Employment Association and Snelling and Snelling, said as a small business owner she urged support of the bill. She read a letter from Mr. O. A. Peterson, former supervisor of the Montana State Job Service, and this is EXHIBIT 7 of the minutes. Ms. Peavey said they save people time, money and the anxiety of searching long for a position. She said they perform for the public good as they help put the unemployed back to work sooner and so generate new tax revenue. She said they are victims of overkill and state regulation. She said the governor of the state of South Dakota has signed the bill completely deregulating employment agencies there. She said most of the other states that are near us are deregulated - state of Nevada is not. In 1980, 30,000 applications were received by 29 of the agencies and 6,500 placements resulted with a combined earning power of \$50,000,000. She said deregulation will keep small business alive and thriving and small business is the backbone of the business economy.

CORY BEMIS, Billings, Secretary of P.E.A.M., said employment agencies are there to provide a service. She said all contracts contain a dollar value. She said many service agencies like attorneys get money up front but they get paid only when the person accepts employment. She said no one is forced to take a position.

ROGER KOOPMAN, Bozeman, Career Concepts, supported the bill. He read a letter from Paul Newby, a supporter. He said the bill makes sense to their industry, to the applicant and to the employer as well. He said the bill changes the refund structure which is currently confusing, cumbersome, and creates situations that are not fair or equitable and so results in lots of ill will. He said the second part of the bill deregulates fees and he said this will mean in some cases that the fees will be going up and in others down. It will create a situation

that has more latitude and more freedom for adjustment within the fee structure. He said the market place should determine what the price should be. He asked who could really determine what a placement is worth.

Senator Keating had the following proponents stand and give their names. The list of those standing that had not already testified were:

Robert J. Leudtke, Career Concepts, Livingston
Ron Drimmel, Career Concepts, Bozeman
James G. Finnerty, Finn's Employment, Great Falls
Delores Wordal, Private Employment Assoc., Helena
James A. Rowe, Personnel Systems, Inc., Missoula
Kenneth Travis, Acme Personnel Service, Helena
John Elder, Acme Personnel, Billings
Douglas Goossen, Snelling and Snelling, Billings
Dick Peters, Snelling and Snelling, Missoula
Veronica Sherman, Bryant Bureau, Billings

KATHY VAN HOOK, Helena, UFCW (United Food and Commercial Workers Union) spoke in opposition saying that while the greatest majority are honest and forthright and perform a good service, there are problems. She said even with the current safeguards there are problems. There were six complaints and five found valid and three complaints regarding advertising last year and 12 complaints with 8 found valid this year with 4 complaints about advertising. She feared this would open the door to excessive and exorbitant fees. She said it is the desperate, unemployed worker that is hurt. She mentioned a personal experience where the employer insisted all applicants must have signed up at a certain employment agency before applying and so pay fees. This was not an in-state experience. She felt the fees at present are quite a sizeable portion of the first month's pay and high enough.

Questions were asked by the committee. Rep. Harrington asked why the agencies are regulated. Mr. Koopman said you can always find reasons to regulate. His personal philosophy is the agency should be regulated through the users themselves. If an agency is not operating appropriately the reputation of the agency will suffer and it must get straightened out or go out of business. Rep. Harrington asked what opening it up would do to fees charged - what percentage would he want? Mr. Koopman said look to other states that are deregulated and you will find that fees haven't gone out of sight. Competition enters in here as there will usually be more than one agency and chances are the applicant will go to all, and very quickly will notice if there is a difference in the fees charged from one to the other. He said they will be cutting their throats if they overcharge.

Rep. Seifert asked how the job placement through the private agencies compared with that through the government job service office. Mr. Koopman said this is difficult to tell as most private agencies work

only with full time positions and the job service counts all of them. He said he would like to reply to the complaints mentioned. He said 20 complaints out of 6500 placements is a fair average and he said the majority was due to the refund structure in the present law which requires a finding of fault.

Rep. Pavlovich asked concerning the present fee schedule. Ms. Peevey said it is 75% of the first month's gross.

Rep. Dozier asked how the fee schedule compared with other states. The answer was states that are deregulated charge different fees, Wyoming charges 1% of the annual gross wages, another charges 10%. She said they do a lot of business throughout the U.S. because of their network, and some do not work with Montana because of the regulations.

Rep. Harper said on page 2, subsection 5 there is a lack of mechanism - it requires that every contract was going to be submitted but part of the mechanism has been left out.

Rep. Schultz asked why on page 2, line 6 did you strike "attempts to charge an unreasonable fee." Ms. Peevey asked who was to determine what an unreasonable fee was.

Chairman Ellerd asked if Snelling and Snelling is a franchise. Ms. Peevey said yes and there were other similar franchises - 6 Snelling and Snellings in the state; Career Concepts has 6 and Acme has 4. She said about half the agencies are unfranchised.

Rep. Keedy asked if the problems of misrepresentation, collusion and false advertising would be lessened by this bill. Senator Keating said the Department of Labor is still the watch dog and for problems like these they can go back to the contractor. If it is proven the agency can be delicensed. He said Mrs. Van Hook's problem happened in Michigan and he didn't know of anything like that in this state.

Rep. Keedy asked of the mechanics of collecting fees. Ms. Peevey said the contract states on the very first line that they are under no obligation to accept employment, but upon acceptance of employment they are liable. She said she runs 25% employer paid fees. She said in some areas they run 75% to 99% employer paid fees.

Rep. Harper asked if there is a requirement that the contract is submitted to the department for approval. He said there is no mechanism that it be submitted for approval as the mechanism is gone. Ms. Peevey suggested looking under the license fee for the mechanism.

Rep. Keedy said the testimony given said the agencies are being over-regulated under the present system. Ms. Peevey said beside the law they have four or five pages of regulations. She said maybe this was needed when the industry was started, but not now. She said if she doesn't run her business professionally she will be out of business. Rep. Keedy asked what specifically is in this bill that reduces the many rules and regulations. Ms. Peevey said just the fee schedule and the rest are not addressed in this bill. She said this was their

first step in deregulation. She said she would like to have their own advisory board.

Rep. Keedy asked Senator Keating why he didn't deregulate the business altogether. Senator Keating said he felt it was a little too early to do a complete deregulation. Senator Keating said Mr. David Hunter had to leave, but said I could pass on that he had no objection to this proposal.

Rep. Keedy moved the meeting adjourn. Meeting adjourned at 2:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Robert Ellerd". The signature is written in dark ink and is positioned above a horizontal line.

ROBERT ELLERD, CHAIRMAN

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SENATE BILL NO. 226

By Healy

The wood products people in the Missoula area have hired about 150 persons during the summer to thin the trees on their forestland. The purpose of this work is to improve the growth of the remaining timber stand. Most of these tree thinners are college students on vacation from school. Usually they work in groups of three as a partnership. They supply all of their equipment, insurance and transportation and are paid on the basis of the work completed rather than the time worked. Most of the thinners clear about \$50 per day, although some do better.

Some time ago the Employment Security Division informed the industry that persons working as thinners would have to be classified as employees and could not be considered independent contractors because of the provisions in the Montana law.

This presented a very serious problem because the costs of supervision, transportation and the time limitation on the work day made a continuation of the project economically impossible. With these tree thinning crews scattered throughout the forestlands in the western part of the state, the costs of supervision alone would be prohibitive.

To avoid these consequences and enable the industry to continue with this tree thinning work which is so important to our western forestlands, we are proposing an amendment to exclude tree thinners from the definition of employment in Section 39-51-204, MCA.

The Employment Security Division asked that our proposal be amended to make sure that the forestland owner did not, in fact, exercise control over the tree thinners. This amendment has been made.

Labor argued that the employees would not be covered by Workers'

Compensation. The bill was amended to require Workers' Compensation insurance.

With these changes, the bill received the unanimous approval of the Senate Labor Committee.

QUESTIONS AND ANSWERS

SB 226 by Healy

Q. Has the Employment Security Division been consulted on this amendment?

A. Yes, and an amendment suggested by the Division has been incorporated into this bill.

Q. Are tree thinners covered by Workers' Compensation?

A. In the past, they were not because they were considered independent contractors. This bill would require all tree thinners to be covered by Workers' Compensation. In Champion International's history of tree thinning in Montana, there has never been a case of an employee suffering a permanent partial disability. Fortunately, there have been no serious injuries, although, of course, one is always possible. In any event, under this bill they would be covered by Workers' Compensation.

Q. Would tree thinners qualify for unemployment compensation?

A. No. The work is seasonal and usually lasts only for the summer vacation period. The students returning to school would not qualify for any benefits even if they were carried as employees. The few who are not students are informed that the work is seasonal and that they must make arrangements for other work at the end of the season.

Q. Does the Forest Service hire tree thinners as employees?

A. No. The Forest Service tree thinning is all placed out on bids much the same as industry has done. One difference is that industry, instead of contracting with the lowest bidder, attempts to fix a rate which will provide the tree thinners about \$50 per day after expenses.

- Q. Does anybody else hire tree thinners as employees who qualify for unemployment compensation?
- A. No, not that we know of, with two minor exceptions. On rare occasions a company will use a few of its regular employees as tree thinners to tide them over until they can return to their usual jobs. The federal government, in its Human Services Program, has used CETA funds to employ young boys and girls, at a relatively low rate of pay to work at forest camps.
- Q. Why can't tree thinners be carried as employees?
- A. The cost of supervision alone would make the operation prohibitively expensive. In addition, the reduced time of actual work, the cost of transportation and equipment, as well as regular employee withholding and accounting expense, would make the employment of tree thinners as employees impossible.
- Q. Aren't you thinning trees when you are engaged in logging?
- A. No. Tree thinning is a term of art and means the removal of small trees for stand improvement and not for any productive use.
- Q. In the Montana law have other exceptions been made to the definition of employment?
- A. Yes. Twelve classifications have been included in this list of exceptions. These include newsboys, elected public officials, certain employees of hospitals, agricultural labor, casual labor and others where unemployment coverage would be inappropriate.
- Q. How long does it take for the benefits of tree thinning to be realized?
- A. In a few years the initial benefits can be seen. However, the full value of tree thinning will take more than 50 years. Very often it is necessary to come back to the same site for rethinning work.

SENATE BILL NO. 226 by Healy

(The Tree Thinner Bill)

PURPOSE OF BILL

The principal purposes of this bill are twofold. First, to save approximately 150 summer jobs in western Montana, and, perhaps equally important, to improve the tree stand on private forest lands through the removal of underbrush. Ultimately, this will help to protect regular employment in the state's wood products industry.

HISTORY

In the past the industry entered into contracts with persons who are mostly college students on summer vacation. These contracts called for the removal of underbrush and very small trees which were interfering with the growth of timber. The tree thinners were required to supply all of their own equipment, transportation and insurance. They were paid on the basis of the work completed rather than the time worked. They could choose their own work schedule and take time off as they saw fit. Their compensation averaged about \$50 per day exclusive of expenses and sometimes considerably more. They worked in groups of three usually, and were assigned work locations throughout the private forest lands in western Montana.

PROBLEM

Recently, however, the Employment Security Division concluded that these tree thinners could not be classified as independent contractors because of the criterion laid down in 39-51-203(4)(a)(b)(c), MCA. This would mean that the tree thinners would have to be classified as employees, requiring supervision, an hourly rate of pay and be furnished with transportation and equipment.

The cost of providing supervision alone for each of these groups of three in widely separated areas would make the expense of the work prohibitive. Then the reduced time for actual work, the cost of transportation and equipment, as well as regular employee withholding and accounting programs would completely eliminate any possibility that the tree thinning operation could be continued.

SOLUTION

A bill to exclude from the definition of employment, services performed under a written contract calling for the thinning of trees on forest lands is proposed. This bill would add a new subsection (m) which would permit a continuation of the practices followed in the past. In addition, it would provide Workers' Compensation coverage for the employees.

The adoption of this amendment would very likely result in Champion International spending approximately \$700,000 in a tree thinning program this coming summer and would permit it to contract with more than 150 persons,

most of whom are college students who rely on this income to continue their education.

If the amendment is not adopted, it probably will become necessary to drop this summer employment program.

Ex. 4

Mr. and Mrs. Marshall Perry

1877 - Logging Road

513.226

1.

| Number of hauls | <i>P. setiferus</i> (%) | <i>P. setiferus</i> + <i>P. setiferus</i> + <i>P. setiferus</i> (%) |
|-----------------|-------------------------|---|
| 1 | 100 | 0 |
| 2 | 80 | 20 |
| 3 | 60 | 40 |
| 4 | 40 | 60 |
| 5 | 20 | 80 |
| 6 | 10 | 90 |
| 7 | 10 | 90 |
| 8 | 10 | 90 |
| 9 | 10 | 90 |
| 10 | 10 | 90 |

Figure 10.7: $\log_{10}(\text{variance})$ vs. $\log_{10}(\text{mean})$ for the 1000 simulated datasets. The variance of the mean is plotted against the mean of the mean. The variance of the mean is plotted against the mean of the mean.

1. *Chlorophyll a* (Chl *a*)

60-100

archival

60-100

Ex. 5



Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59601
406/442-1708

Room 100 "Steamboat Block"
616 Helena Ave.

TESTIMONY OF JAMES W. MURRY ON SENATE BILL 226, HEARINGS OF THE HOUSE LABOR COMMITTEE, MARCH 10, 1981

I AM JIM MURRY, EXECUTIVE SECRETARY OF THE MONTANA STATE AFL-CIO.

SENATE BILL 226 IS OBVIOUSLY PORK BARREL LEGISLATION. IT IS A BILL TO PROVIDE RELIEF FOR CHAMPION INTERNATIONAL BY PROVIDING THEM WITH A SUBSIDY. THE SUBSIDY WOULD COME FROM THEIR VERY LOW PAID TREE THINNERS. BUT THE STATE OF MONTANA OR THE COUNTIES WILL WIND UP PAYING PART OF THE SUBSIDY WHEN WELFARE COSTS GO UP.

THIS LEGISLATION ARISES OUT OF A TAX SUIT BY CHAMPION INTERNATIONAL TO DENY UNEMPLOYMENT COMPENSATION PROTECTION TO ABOUT 160 TREE THINNERS IN THEIR EMPLOYMENT.

THE MONTANA BOARD OF LABOR APPEALS SUSTAINED A DECISION BY THE MONTANA EMPLOYMENT SECURITY DIVISION WHICH HELD THAT THE 160 TREE THINNERS WERE CLEARLY EMPLOYEES OF THE COMPANY, AND THEREFORE ENTITLED TO RECEIVE UNEMPLOYMENT COMPENSATION PROTECTION. THAT CASE HAS NOW BEEN APPEALED TO THE MISSOULA COUNTY DISTRICT COURT. SO, YOU CAN SEE THAT SENATE BILL 226 IS OBVIOUSLY AN ATTEMPT TO CIRCUMVENT THE JUDICIAL PROCESS.

PROPOSERS OF THIS BILL WOULD HAVE YOU BELIEVE THAT TREE THINNERS ARE JUST COLLEGE KIDS INTERESTED IN SUMMER EMPLOYMENT. THAT IS NOT THE CASE. MANY TREE THINNERS ARE REGULAR WORKERS, DEPENDING ON THEIR WAGES TO SUPPORT THEMSELVES AND THEIR FAMILIES. THESE PEOPLE ARE EMPLOYED BY CHAMPION INTERNATIONAL, BURLINGTON NORTHERN, AND IN FACT, BY ALMOST EVERY MAJOR TIMBER BUSINESS DOING TREE THINNING.

BY ITSELF, THE IMPACT OF EXCLUDING A FEW HUNDRED TREE THINNERS MAY NOT BE LARGE FOR THE UNEMPLOYMENT INSURANCE SYSTEM. BUT THIS IS A FOOT IN THE DOOR TO ALLOWING EMPLOYER AFTER EMPLOYER TO COME TO THE LEGISLATURE FOR THEIR OWN SPECIAL INTEREST LEGISLATION TO EXCLUDE THEIR EMPLOYEES FROM UNEMPLOYMENT INSURANCE PROTECTION.

(MORE)

SHOULD THESE EMPLOYEES BE DENIED UNEMPLOYMENT INSURANCE PROTECTION, THE NEXT LOGICAL STEP WOULD BE TO DENY THEM WORKERS' COMPENSATION BENEFITS, WHEN A WORKER IS INJURED OR KILLED ON THE JOB.

THIS BILL HAS A SECTION REQUIRING THAT THESE WORKERS BE COVERED UNDER WORKERS' COMP, BUT THAT MEANS NOTHING. IF CHAMPION IS SUCCESSFUL AT THIS BILL, NEXT SESSION THEY CAN HAVE THESE PEOPLE EXCLUDED FROM WORKERS' COMPENSATION COVERAGE. OR PERHAPS A BILL LIKE SENATE BILL 439, WHICH DIED IN THE SENATE THIS SESSION, MIGHT BE INTRODUCED. THEN NOT ONLY TREE THINNERS, BUT ALL PERSONS WHO WORK OUTDOORS COULD BE EXCLUDED FROM WORKERS' COMPENSATION COVERAGE BY ATTACKING THE "INDEPENDENT CONTRACTOR" SECTION OF THAT LAW.

PORK BARREL LEGISLATION GETS PASSED BECAUSE IT BENEFITS SOMEBODY. BUT USUALLY SOMEONE ELSE HAS TO PAY FOR IT. THIS PORK BARREL HAS SOMETHING IN IT FOR CHAMPION, BURLINGTON NORTHERN AND OTHER TIMBER GIANTS.

THE GIFT COMES FROM LOW PAID WORKERS, AND EVENTUALLY, FROM THE STATE OR COUNTIES. A LETTER FROM BILL BROTHERS, EXECUTIVE SECRETARY FOR THE INLAND EMPIRE DISTRICT COUNCIL OF LUMBER, PRODUCTION AND INDUSTRIAL WORKERS, SUMS IT UP VERY WELL. BROTHERS SAYS, "PEOPLE EMPLOYED AT TREE THINNING DON'T GET PAID ENOUGH TO SAVE MONEY FOR WHEN THEY ARE NOT WORKING AND WOULD BE FORCED ONTO THE WELFARE ROLLS. THIS WOULD CAUSE THE TAXPAYERS TO INDIRECTLY SUBSIDIZE CHAMPION INTERNATIONAL AND OTHERS TO THIN THEIR FORESTS, WHICH GIVES THEM GREATER GROWTH POTENTIAL AND MAXIMIZES THEIR PROFITS."

IT IS A SHAME WHEN THE LEGISLATURE, IN AN ATTEMPT TO BE PRO-BUSINESS, PRODUCES BILLS WHICH ARE SO DEVASTATING TO THE LOWEST PAID WORKERS.



PHONE 254-5717
BIA CODE 406

INLAND EMPIRE DISTRICT COUNCIL

(Lumber, Production and Industrial Workers)

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA



P.O. BOX 991
FORD BUILDING
FAIRFELL, MONTANA 59601

February 6, 1981

FEB 9 1981

Senator John E. Healy
Montana State Senate
Capitol Station
Helena, MT 59620

Dear Senator Healy:

I am writing to you in opposition to Senate Bill 226, which excludes employees who are employed at tree thinning from coverage under Unemployment Compensation.

I think that this is a bad bill and will have a bad effect, especially in Western Montana. If Corporations are so concerned about people drawing unemployment benefits, there is one way they can cure it--they can keep the people fully employed, and there is enough work needed to be done in the forest that this could be accomplished.

People employed at tree thinning don't get paid enough to save money for when they are not working and would be forced onto the welfare rolls. This would cause the taxpayers to indirectly subsidize Champion International and others to thin their forests, which gives them greater growth potential and maximizes their profits.

Respectfully yours,

Billy H. Brothers

Billy H. Brothers, Executive Secretary
Inland Empire District Council

BHB:mkf



CHARTERED MARCH 1964

Ex. 6

BANKING & FINANCE
COMMERCIAL INSPECTION & REGULATION
HUMAN RIGHTS
INSURANCE
PROFESSIONAL & OCCUPATIONAL LICENSING
SECURITIES
RACING COMMISSION



DEPARTMENT OF COMMERCE

State Capitol
Pierre, South Dakota 57501
Phone 605/773-3177

January 27, 1981

JoAnn Peavey
Snelling and Snelling
2118 Grand Avenue
Billings, Montana 59102

Dear Ms. Peavey:

This letter is being written as a follow up to our telephone conversation regarding South Dakota House Bill 1058 which would repeal all of Chapter 60-6A of the Codified Laws. Chapter 60-6A, Private Employment Agencies was passed into law in 1979.

The Department of Commerce, and formerly the Department of Labor have administered the private employment agency program. The administrative rules adopted prior to 1975 contain the fee schedule that agencies are limited to, the maximum being 60% on an employee paid fee.

I am convinced that the private employment agencies are proven to be self governing and the degree of professionalism is evident by the complete absence that has come out of committee and will be scheduled for floor action later this week. I am not anticipating a problem with passage of the repeal. Also we have placed an emergency amendment on the bill to negate licensing for a two month period until July 1, when the bill would go into effect.

The strongest argument that can be made for deregulation is that applicants are free to use the services of a private employment agency, but are in no way forced to use them. The alternatives available to applicants is extensive, ranging from Job Services to Media advertisements.

I have enclosed a copy of House Bill 1058 for your review.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dorothy J. Howe".

DOROTHY J. HOWE
Director
Division of Human Rights

DJH/pin

Enclosure

Box 7
Received JANUARY 22, 81
Billings MT.

to whom it may concern

Twice during the past 2 years I have applied for work w/ Snelling & Snelling, as well as other private agencies & Job Service.

I am pleased with the service Snelling & Snelling has provided. Their service is much more personal and direct than the other agencies. Close personal contact, regular calls regarding my status, and job promotion efforts have been excellent. Too-time wasted awaiting an interview is minimal.

I personally feel the private employment agencies do a great service for job seekers in a professional and timely manner.

Sincerely

O.A. Peterson

5004 Cheyenne Tr

Billings, MT.

Former STATE Supervisor
MONTANA STATE JOB Service
22 years.