

HOUSE BUSINESS AND INDUSTRY COMMITTEE

The B&I Committee was called to order March 31, 1981, at 10:00 a.m. in room 129 Capitol Building, Helena, by Chairman Rep. W. J. Fabrega. All members were present except Reps. Ellerd and Ellison who were excused. Bills to be heard were HJR 59 and SJR 27.

HOUSE JOINT RESOLUTION 59 -

REP. BOB ANDERSON, District #16, Flathead County, co-sponsor with many other Representatives and Senators, of HJR 59, said this bill is their idea of trying to support the presentation of the Olympic site for 1988 to be in Calgary, Alberta. In his area when the hostages were taken in Iran many Canadians in his district offered their sympathy and support, and Canada did help a great deal in this affair.

Every American child has the dream of someday being a participant in the Olympics. Rep. Anderson through his coaching experience and through playing on a hockey team has some idea of what is involved in the Olympics.

The games will host approximately 3,000 participants, and draw 1,000,000 people. It is estimated a cost of \$250 million will have to be spent on this project. He feels there will be a number of participants who will want to come to Montana and try out our slopes, and many often return again and again. This would not only be an economic benefit for Montana, but also a real good chance for some of us to view an Olympic event.

JANELLE FALLON, Montana Chamber of Commerce, Helena, supports HJR 59. Besides the dollar benefit referred to by Rep. Anderson, she said another benefit is the psychological one of having the Olympics close to Montana. There is a lot of trading of friendship back and forth between Montana and Alberta, and this would be a friendly gesture. They are very much in support of this resolution.

SENATOR BOB BROWN, co-sponsor, is very, very much in support of this resolution. He doubts that we will ever have the Olympic games any nearer than Calgary. There is a possibility of making some money for the people of Montana through generation of business and having people get into the habit of knowing of Montana's winter recreation possibilities.

JOHN WILSON, Administrator of the Tourism Division of the Department of Highways, supports the measure. He thinks it is a good neighbor policy for Alberta and Canada. There is expected to be over 1,000,000 visitors to Calgary and 3,000 competitors. The cost of the Olympics would be about the same as two nights of going to the theater in London. They are looking forward to increased tourism in Montana as a side benefit of the Olympics. Governor Schwinden has sent a letter of support. There are three sites to be chosen from - one in Sweden and one in Italy, besides Calgary. It will bring business and dollars and marks and pounds and francs into the Montana economy and it will establish Montana as a winter vacation place. Also aids our good neighbor to the north. Rises in support.

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DR. AMOS (BUD) LITTLE, Vice president of the International Ski Federation, acting as comptroller for selection of the Olympic site, has to supervise the various aspects required to determine if they come up to the qualifications that are set up. He has made three trips to Calgary. Calgary is a strong bid competitor. The facilities are excellent, housing is good, access and general accommodations are fine, press, etc., are all superior. One site is in virgin territory, but because of the lack of financing possibility it might not be completed.

There are two other bidders - one in Sweden which is in some question. He had just had a call that this site had been withdrawn, but this is not definite. Cortina, Italy, has nice skiing but horrendously difficult accommodations. Calgary has a good bid. The politics rest with the IOC, many of whom are summer oriented and many of whom don't know about winter Olympics. Any interest expressed for Calgary is a good idea. The strong bid is Calgary. He suggested an amendment to also send a copy to the Calgary Olympic Development Association (CODA), Attention Frank King, President, Box 1988, Calgary, Alberta, Canada. He would be surprised if HJR 59 were not passed.

OPPONENTS: None

QUESTIONS -

Rep. Harper asked about the time frame for the selection. Mr. Little said the people who have the votes are those at the IOC, and they probably won't pay much attention. The vote will be taken at the Baden Baden Congress this year. There are three situations that the Calgary site fits into - it is impossible to do it, they can do it as they are, or they can do it with some things to be done. There is a kind of 'catch 99' situation wherein the provincial government will support this if they get the bid and the others will support it if the provincial government will support it. The IOC is a very political thing. The Canadians did not go to Moscow. There is a block of 19 votes from the east and they vote in a block. They play very political games.

Rep. Anderson closed saying there are other things than economic to be gained - people will be able to watch the Olympics and learn. Montana has a many great athletes and in the United States there are many also.

SENATE JOINT RESOLUTION 27 -

SENATOR ALLEN KOLSTAD, District #5, Liberty County, co-sponsor along with many other legislators, of SJR 27 - this bill requests an interim study of the regulatory practices and procedures of the PSC to see if they conform to legislative guidelines and to determine if these guidelines need revision. Committees have devoted a great deal of time to Montana's public utilities. This is a method whereby the audit committee can learn something about the legislative audit procedures. Utility rate making has been done for years and the process is extremely complicated. The consumer views are fully represented before the PSC. The Legislature has an obligation to monitor

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the financial health of the utilities. They must see that the audit committee fulfills its obligations. Questions have been raised about the financial health of the utilities under the PSC. This isn't a oneway deal. The PSC will have the full opportunity to tell their side of the story to the audit committee. If they have a staffing problem, they will have the opportunity to explain it to see if they need more funding. Ratemaking is a legislative function and the purpose of this legislation is to assess the job the PSC is doing for us.

JIM HUGHES, Mountain Bell, urges support of this resolution. There are some serious concerns as to the health of the utilities and the provision of necessary functions. It is a very complex problem to get at the economic concerns of the PSC in the staffing and philosophic areas. Urges support.

GENE PHILLIPS, Pacific Power and Light, supports SJR 27 for the reasons already stated.

PERRY WEIDLER, Montana-Dakota Utilities Co., Helena, supports this resolution.

BOB GANNON, Montana Power Company, Butte, concurs with the resolution.

OPPONENTS: None

QUESTIONS -

Rep. Vincent asked if this added work load would require more funding. Sen. Kolstad said this was already in their plan to study this during the biennium, and it wouldn't add any cost.

SCOTT SEACAT, Manager of the Program and Sunset Audits, Legislative Auditor's Office, said the Public Service Commission is scheduled for sunset in 1983. He thought that the PSC type audit is what the resolution addresses although there are some additional questions in the resolution. It is already scheduled to be audited, and they will look into this resolution's requirements.

Rep. Vincent asked Mr. Seacat if they will have enough flexibility to handle this, and he was told they won't audit Mountain Bell, etc., but will see that the PSC has adequate information and staff to make that determination. They might make some comments about the information they are getting from the industries. They won't audit the industries.

addresses

Rep. Schultz asked if this audit/the problems we have now in regard to rate making to find out if it is being maliciously done. Sen. Kolstad said that is one of their main objectives with this. We are having a problem with rate making lag and hopefully the period in which the PSC has to act can be shortened.

Rep. Fabrega said that part of the resolution is to also ascertain that the utilities financial liability is not being hampered or hindered by regulation. How would you determine their financial health. Mr. Seacat said they may have to ask the utilities for supporting information. They don't have direct audit access to the utilities, but certainly to the information that is provided to the PSC. They will look at lag, for example, and see if there is any problem caused by that.

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Rep. Jensen asked if this proposed audit would be more in depth. Mr. Seacat answered not really - they have been very much in depth. The sunset audits look at effectiveness and efficiency. The operational effects are taken care of by the agency. They will hold a conference with the PSC and staff and will contact all other affected parties with interviews and conferences and try to get both sides of the problem. There will be a public hearing similar to the public hearing here. The audit committee will sit on the decision about a month. They will check with the regulated companies and check on what they claim to be some of their problems.

Rep. Vincent said an amendment was defeated to add five FTEs to the PSC. He asked if some money should be added. Some legislators contended we were shorting the PSC and that was a detriment to the PSC and to the utilities.

Sen. Kolstad closed saying this is going to give the Legislature the assurance that this will be studied. He thought the opportunities of sun-setting the PSC were exceedingly slim.

EXECUTIVE SESSION -

Rep. Kitselman moved HOUSE JOINT RESOLUTION 59 DO PASS. He moved an amendment that CODA be sent a copy of this resolution as well as to those already mentioned. Motion carried unanimously. He reworded his motion to HOUSE JOINT RESOLUTION 59 DO PASS AS AMENDED. Motion also carried unanimously. Reps. Ellison and Ellerd were absent.

Rep. Vincent proposed several amendments. Rep. Metcalf said the PSC made a decision to make 10% of costs be allowed as profit, but they escalated and because of the lag, the utilities claim they ended up with a lot less. Rep. Vincent said an audit is based on information that is already compiled. There is a question as to whether we have staffed the PSC to do the job. He wants to find out where they are now, and whether the PSC is in a position to do a good job now. Rep. Manning said the PSC isn't very much better staffed than it was.

Rep. Vincent moved proposed amendments (shown on standing committee report) be adopted. They were unanimously adopted.

Rep. Jensen moved that the committee recommend that SENATE JOINT RESOLUTION 27 BE CONCURRED IN AS AMENDED. Motion carried unanimously. Reps. Ellison and Ellerd were absent.

Rep. Vincent will carry SJR 27 on the floor.

Meeting adjourned at 10:50 a.m.

Josephine Lahti
Josephine Lahti, Secretary

W. J. Fabrega
REP. W. J. FABREGA, Chairman

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COMMITTEE

SJR 27

Date _____

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SPONSOR

JIM HUGHES	HELENA	MOUNTAIN BEEL	✓
Dennis Copack	"	Mountain Water	✓
Perry Wendt	"	M.G. Co.	✓
Everett Henry	Butte	Mont. Power Co.	✓
GENE PHILLIPS	KALISPELL	PACIFIC POWER & LIGHT	✓
Ed. Hannan	Butte	Mt. Tower	✓

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

NAME GENE PHILLIPS BILL No. STR 27
ADDRESS KALISPELL DATE 3/31/81
WHOM DO YOU REPRESENT PACIFIC POWER & LIGHT
SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

VISITORS' REGISTER

HOUSE

COMMITTEE

BILL 1010

Date _____

SPONSOR Rep. B. K. Anderson

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: