

MINUTES OF THE MEETING
LABOR & EMPLOYMENT RELATIONS COMMITTEE
MONTANA STATE SENATE

March 22, 1983

The meeting of the Labor Committee was called to order by Chairman Gary C. Aklestad on March 22, 1983, at 12:30 p.m. in Room 404, State Capitol.

ROLL CALL: All members of the Committee were present.

Chairman Aklestad asked Representative Hal Harper, sponsor of House Bill No. 174, to present the bill to the Committee.

House Bill No. 174 is an act increasing the taxable wage base for purposes of unemployment insurance contributions and for establishing a new employer rate schedule.

Representative Harper stated that the taxable wage base is too low. He stated that there is too large a spread of wages for the retail people. They pay unemployment taxes on every bit of wages paid. Some nonretail employers, which pay higher salaries than retailers, are paying contributions on only a fraction of the wages they pay.

Representative Harper stated that this bill wasn't introduced to raise any more money. It is a fairness bill and the issue is who pays for unemployment insurance in the state of Montana. Some industries are draining the fund, and others are paying a large amount into the fund. It is an unfair system and can only be corrected by raising the taxable wage base.

PROPOSERS OF HOUSE BILL NO. 174:

Dave Hunter, representing the Department of Labor, stated that they support House Bill 174, and he distributed proposed amendments, tables, and charts to the Committee. These are attached to the minutes. (Exhibit No. 1)

Mr. Hunter explained the above attachments to the Committee. He stated that it is important for the Committee to address the issue of fairness. He told the Committee that the Department took a neutral position on the bill in the House, but they are a proponent of the bill in the Senate.

Mr. Hunter stated that another issue to address is in the form of an amendment which is attached.

He stated that the table in the amendment sets the taxable wage base at \$17,600. He would like the Committee to adopt the chart and the necessary language changes in the bill.

Mr. Hunter stated that they want to add on Schedules 11 and 12 to keep the trust fund solvent.

Mr. Hunter further stated that if this legislature does not address the trust fund solvency issue, the state unemployment fund will be 22 million dollars in debt by the end of this biennium and owe 5.7 million dollars in interest to the federal government for covering the debt.

Mr. Hunter stated that the tax rates are set every year. In 1983 the average for all employees was 3.1 percent. Deficit employers are in the deficit rate schedule. For the first three years that a business is in operation they are on a fixed rate.

The Department is asking that Schedules 11 and 12 be added so they could trigger up to those schedules. When the trust fund has more money and the economy is in better shape, the rates will go down. Schedules 1 through 10 raise no revenue. The additional revenue is in Schedules 11 and 12.

Mr. Hunter concluded by stating that fairness and solvency are the important factors to be considered.

Pat McKittrick, representing the Joint Council of Teamsters #2, stated that they support House Bill 174.

Phil Strobe, representing the Montana Tavern and Innkeepers' Association, stated that they support House Bill 174.

They feel it is the most realistic solution in 1983. Mr. Strobe distributed a clipping from the Great Falls Tribune of February 13, 1983, regarding an industrial study claiming a chilly business climate in Montana. This clipping is attached. (Exhibit No. 2)

Mr. Strobe stated that Montana has the highest average unemployment compensation benefits paid of any state, and any action taken by the Committee will not change this one iota.

He stated that he believes the Department of Labor when they say the current fund is inadequate, and we will have to deal with the realistic fact that we are going downhill.

Also, the Feds have changed their law slightly.

Mr. Strobe referred to a table distributed by Mr. Hunter--he stated that in item (2) the employees have been paid twice as much in benefits as the employer has put into the fund.

He further stated that Atlantic Richfield is one of the biggest abusers. Mr. Strobe distributed a list of Montana Employers with Large Deficit Reserves. This list is attached. (Exhibit No. 3)

Mr. Strobe stated that the Rameriz proposal does a lot. He stated that the people he represents are no more able to pay their fair share than anyone else.

George Allen, representing the Montana Retail Association, stated that they support House Bill 174. Mr. Allen's printed testimony is attached plus a chart. (Exhibit No. 4)

Mr. Allen stated that if this law is passed, every group would pay less than they are paying now.

James Larson of Shelby, Montana, representing the Montana Retail Association, stated that they support House Bill 174. They feel the bill represents fairness and equality.

Frank Davis of Great Falls, representing the Montana State Pharmaceutical Association, stated that they support House Bill 174. Mr. Davis's printed testimony is attached. (Exhibit No. 5)

Stanley Johnson, representing J. C. Penney Co., stated they support House Bill 174.

Roland Pratt, representing the Montana Restaurant Association, stated that they support House Bill 174.

OPPONENTS OF HOUSE BILL NO. 174:

Chad Smith, representing Unemployment Compensation Advisors, Inc., stated that they strongly oppose House Bill 174.

Mr. Smith stated that this bill poses several problems for Montana's struggling economy. He feels the bill would have a negative effect on Montana's business climate. He feels the bill is absolutely unnecessary. There is no reason to adjust this base to the social security base. Unemployment compensation base is a means of raising funds to pay those benefits. This bill will impose an additional tax on virtually every business that does not pay the minimum wage at the present time. He also stated that he feels it is an unjust way to increase taxes. He stated that 38 states have a base of \$8,200 or less. There is no relationship between increasing the base and increasing the amount that would be paid.

They feel this is an inopportune time for the state of Montana to raise taxes. He stated that many states have borrowed large amounts (such as Pennsylvania and Ohio) trying to keep the compensation fund. They borrow during the tough times. This is not a small employers' bill. Mr. Smith stated that his taxes would be increased 2 1/2 times and he only has 8 employees. They are contributing to a common fund and when the time comes to increase

taxes the taxes should be increased right in the tax base by changing the rate schedules. Even at a compromise such as offered by Commissioner Hunter, it is the wrong way to go. The tax burden should not be shifted where it can least be carried, and they would ask that this bill not be concurred in.

Charles Chamberlain of Billings, representing the Montana Chapter, Associated Builders and Contractors Association, stated that they oppose House Bill 174. He stated that the construction industry has been struggling for existence since the fall of 1979. Mr. Chamberlain's printed testimony is attached. (Exhibit No. 6)

Forrest H. Boles, representing the Montana Chamber of Commerce, stated that they oppose House Bill 174. Mr. Boles' printed testimony is attached. (Exhibit No. 7)

William H. Porter, representing American Chemet Corporation, stated that they oppose House Bill 174. Mr. Porter's printed testimony is attached. (Exhibit No. 8)

John Morrison, representing Morrison-Maierle, Inc., stated that they oppose House Bill 174. Mr. Morrison stated that at this moment his firm is fighting for its life. They have just under 70 employees on the payroll and they are trying to keep things moving. Mr. Morrison's printed testimony is attached. (Exhibit No. 9)

Robert Cordell of Great Falls, representing Northern Testing Laboratories, Inc., stated that they oppose House Bill 174. Mr. Cordell's printed testimony is attached. (Exhibit No. 10)

William Olson, representing Montana Contractors' Association, stated that they oppose House Bill 174. Mr. Olson's printed testimony is attached. (Exhibit No. 11)

Robert Holding of Missoula, representing Montana Wood Products Association, stated that they oppose House Bill 174. He stated that this type of legislation would punish those who are least able to pay.

Stanford Dugdale of Butte, representing Dugdale Construction Co., Inc., stated that they oppose House Bill 174. He stated that this bill would saddle his company with a 76% increase.

At the present time his construction company pays \$4,413.30. Under the present proposal their contribution would be \$7,749.29. This is a 75.5% increase. Under the amendment proposed today, the cost would be \$8,947.90 or approximately a 103% increase. This is based on 22 employees with 6 of them over \$17,500.

Jim Hughes, representing Mountain Bell, stated that they oppose House Bill 174. He stated that the increase could be up to 300% for some employers. They would welcome the opportunity to borrow the money from the government.

Other opponents of House Bill 174 were as follows:

Jerry Raunig, representing the Montana Auto Dealers' Assoc.
Ben Havdahl, representing Montana Motor Carriers
John Braunbeck, representing Montana IOMA and the Montana
LP Gas Association
Don Allen, representing Montana Petroleum Association
Bill Kirkpatrick, representing Champion International
Keith Anderson, representing Montana Taxpayers Association
Dave Goss of Billings, representing Billings Chamber of Commerce
H. S. Hanson, representing Montana Technical Council
Marilyn Lockrem of Billings, representing Merckol Construction
John Hollow, representing Montana Home Builders
John Alke, representing Montana Dakota Utilities
James Mockler, representing Montana Coal Council

QUESTIONS FROM THE COMMITTEE ON HOUSE BILL NO. 174:

Senator Lynch: Mr. Boles, how did your state Chamber of Commerce decide to oppose the bill?

Forrest Boles: The Board of Directors sets the policy.

Senator Keating: Mr. Hunter, how about extra wage base prior to 1979? Are these categories pretty much the same?

Dave Hunter: They are pretty much the same.

Senator Lynch: With your amendment it even hurts them further.

Dave Hunter: It hurts them less, but the issue is still the same.

Senator Lynch asked Mr. Dugdale if this amended version would hurt them more.

Mr. Dugdale stated that it would.

Senator Keating: Mr. Hunter, what would the difference in benefits be between \$8,200 and \$17,600?

Dave Hunter: There would be no difference in benefits. They are talking only about how to raise the money.

Senator Keating: Is \$8,200 a year the amount a person must make to qualify for maximum benefits?

Dave Hunter: The \$17,600 would also qualify for maximum benefits.

Senator Goodover: Was that maximum amount under 35.7%?

Dave Hunter: That is correct.

Senator Goodover: There is an increase in collections.

Dave Hunter: We are talking about a plus or minus of possibly 5 million dollars.

Senator Keating: I have to have some information on these benefits.

Dave Hunter stated that every employee that makes \$8,200 per year is eligible for the maximum benefits. The taxable wage base is unrelated to what the person draws in benefits. They are based on that employee's wages.

Representative Harper made closing remarks in support of House Bill 174. The issue will boil down to--why are rates in other states so much lower?

| | |
|---------------------------|-----------------------------|
| Alaska has the highest -- | \$14,600 for a wage base |
| Wyoming has | -- \$ 6,000 for a wage base |

The taxable wage base is the key. We are prepared to accept any relief you make. All wages should be covered.

He stated that the only way to get any fairness is to raise the taxable wage base.

Chairman Aklestad called the hearing closed on House Bill No. 174.

CONSIDERATION OF HOUSE BILL NO. 826:

Chairman Aklestad introduced Representative Orval Ellison, sponsor of House Bill No. 826, to the Committee, and Representative Ellison presented the bill to the Committee.

House Bill No. 826 is an act providing for establishment by the chief of police of the work period for police officers and other police department personnel.

Representative Ellison stated that this bill would enable the chief of police to set a work period other than the 40-hour week. It would be of benefit to the police department and employees if they could rotate their hours.

Representative Ellison stated that the amendment put on by the House may defeat the purpose of the bill. The work period must be established in the collective bargaining agreement if there is one.

PROPONENTS OF HOUSE BILL NO. 826:

Bill Ware, Police Chief of Helena, representing the Montana Chiefs of Police, stated that they support House Bill 826.

He would recommend deleting Page 1, lines 16-19 which reads:

"If the members of the department are represented by a collective bargaining unit, the work period must be established in the collective bargaining agreement."

He stated that the wording makes it mandatory that work period must be established in collective bargaining agreement. The city could end up in bad shape as well as an officer's safety by not enough manpower, etc.

Mr. Ware stated that without the above provision, he would support House Bill 826 until he had the opportunity to poll the other Chiefs in the state.

OPPONENTS OF HOUSE BILL NO. 826: None were present at the hearing.

QUESTIONS FROM THE COMMITTEE ON HOUSE BILL NO. 826:

Senator Blaylock asked if the chief of police must establish work period with collective bargaining unit.

Bill Ware: I would have to consult with my colleagues on that. I would not want to go on record right now.

Senator Lynch: What do they have in flexibility?

Bill Ware: It allows them to have flex shifts.

Representative Ellison made closing statements in support of House Bill 826, and stated that the bill does need some language clarification.

Chairman Aklestad stated that if Representative Ellison presented some other language the Committee would look at it.

Chairman Aklestad called the hearing closed on House Bill 826.

CONSIDERATION OF HOUSE BILL NO. 850:

Chairman Aklestad asked Representative Jerry Driscoll, sponsor of House Bill No. 850, to present the bill to the Committee.

House Bill No. 850 is an act to require employers to disclose to employees and affected citizens the identity and health hazards

of certain substances found in the workplace and to require that in an emergency involving hazardous or toxic substances information on those substances be made available to emergency personnel.

Representative Driscoll stated that there were some technical problems with the bill and he offered an amendment to House Bill No. 850. This amendment is attached. (Exhibit No. 12)

PROPOSERS OF HOUSE BILL NO. 850:

Arlyn Plowman of Three Forks, representing Cement Workers Local 239, stated that they support House Bill 850. His printed testimony is attached. (Exhibit No. 13)

Bill Romine, representing Solid Waste Contractors' Association, stated that they support House Bill 850.

Mr. Romine stated that some of the solid waste contractors pick up toxic and hazardous waste, and it would be very helpful to know what is being picked up, how it is to be handled, how it is to be disposed of and what happens when it is accidentally spilled.

Pat McKittrick of Great Falls, representing the Joint Council of Teamsters #2, stated that they support House Bill 850.

Susan Cottingham, representing Montana Environmental Information Center, stated that they support House Bill 850. She stated that this bill is important for the employer as well as the employee.

Larry Persinger of Butte, representing the Montana State Building Trades, stated that they support House Bill 850. He stated that most illnesses can be prevented with adequate education and precaution. Mr. Persinger's printed testimony is attached. (Exhibit No. 14)

Eileen Robbins, representing the Montana Nurses' Association, stated that they support House Bill 850. She stated they are concerned about the workers and also with the health care workers in the hospital.

Stacy Flaherty, representing Women's Lobbyist Fund, stated that they support House Bill 850. Her printed testimony is attached. (Exhibit No. 15)

Larry Weinberg, representing the Montana University System, stated that they support House Bill 850. Mr. Weinberg distributed copies of a symposium to be sponsored by the American Chemical Society at the University of Montana on April 9, 1983. A copy of the symposium is attached. (Exhibit No. 16)

Mike Walker, representing the Montana State Council of Professional Fire Fighters, stated that they support House Bill 850.

Larry Lloyd, representing the Department of Health, stated that they support the concept of House Bill 850.

Frank Davis of Great Falls, representing Montana State Pharmaceutical Association, stated that they support House Bill 850 providing that the language on page 5, line 21, and on page 6, line 17 stays in place.

Jim Murry, representing Montana State AFL-CIO, stated that they support House Bill 850. Mr. Murry's printed testimony is attached. (Exhibit No. 17)

Wyatt Frost of Three Forks, Montana, representing the Cement, Lime, Gypsum and Allied Workers' Local 239, AFL-CIO, stated that they support House Bill 850. Mr. Frost's printed testimony is attached. (Exhibit No. 18)

OPPONENTS OF HOUSE BILL NO. 850:

Ben Havdahl, representing Montana Motor Carriers, stated that they are concerned with the penalty section of the bill. He stated that the penalty could be \$1,000 per day.

He further stated that he was of the opinion that the Department of Transportation had the authority to regulate hazardous material and was already set up to handle the problem.

He told the Committee that regulations are very detailed. He displayed a book entitled, Hazardous Material which is a guide-book of emergency response from the Department of Transportation. He stated that this book is quite thorough.

Mr. Havdahl concluded his testimony by saying that he feels the requirements under House Bill 850 is an additional requirement that is not needed.

Robert Holding, representing Montana Wood Products, concurred with Mr. Havdahl's testimony.

Mr. Holding stated that on page 3, line 11, the words, "current employee" and "a former employee" is a very broad statement. That takes in any employee who has ever worked for the company.

Mr. Holding also disagreed with the language on page 4, lines 3 through 5. He stated that this language could mean anything, and this type of legislation could lead to a great deal of harassment. They are concerned, too, with the penalty and fines section of the bill.

Mr. Holding stated that the Department is incapable of giving an estimate of how much money it would take to administer this bill. He further stated that there are at least 168,000 toxic substances.

Kenneth Yaring of Billings, representing Northwest Scientific, Inc., stated that they would support the bill only if it were to be amended by the addition of a new paragraph to Section 3 to read as follows:

"() products packaged for distribution to and intended for use by research, testing, clinical, and industrial laboratories, bona fide educational institutions and professional users, including any labeled product stored in the workplace, if they remain labeled and in the same package as received from the manufacturer and distributed to the user."

Mr. Yaring's complete printed testimony is attached. (Exhibit No. 19)

Janelle Fallan, representing the Montana Chamber of Commerce, stated that they do not oppose the intent of House Bill 850, but they do oppose the bill as described in the title. J. Fallan's printed testimony is attached. (Exhibit No. 20)

George Allen, representing the Montana Retail Association, stated that they oppose House Bill 850 as it is written. If the Committee feels there is a need for this bill, they would like to propose amendments to the bill. G. Allen's printed testimony and his proposed amendments are attached. (Exhibit No. 21)

Jim Mockler, representing the Montana Coal Council, stated that they oppose House Bill 850. They feel the bill is too broad.

Tom Dowling, representing the Montana Railroad Association, stated that they oppose House Bill 850.

Thomas Brown of Billings, representing the Burlington Northern Railroad Company, stated that they oppose the bill. They feel the bill is too broad as written.

QUESTIONS FROM THE COMMITTEE ON HOUSE BILL NO. 850:

Senator Keating: Aren't those stacks of federal regulations effective in the state now?

Larry Lloyd: Yes, they are.

Senator Gage: Isn't there a toll free emergency telephone number regarding information on poison, toxic, and hazardous material?

Ben Havdahl: There is such a number, and I will get it for members of the Committee.

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Representative Driscoll made closing remarks in support of House Bill 850. He stated that lawsuits are happening because of injuries by the substances and failure to answer questions about their use and chemical makeup and effects. They would like to do something about it before the emergency occurs.

ADJOURN: There being no further business before the Committee, the meeting was adjourned at 2:30 p.m.



Senator Gary C. Aklestad, Chairman

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ROLL CALL

LABOR

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 3/22/83

[illegible]

DATE March 22, 1983

COMMITTEE ON

LABOR & EMPLOYMENT RELATIONS

VISITORS' REGISTER

| NAME | REPRESENTING | BILL # | Check One | |
|---------------------|----------------------------|------------------|-----------|--------|
| | | | Support | Oppose |
| Robert Asbell | Northern Testing Labs | HB 174 | | ✓ |
| Robert H. Morrison | AS-M. Inc. Consulting Eng. | HB 174 | | ✓ |
| All Bole | Montana Chamber | | | ✓ |
| HB 800 | " | HP 850 | | ✓ |
| Kenneth F. Jan | Northwest Kentfryder | HB 850 | | ✓ |
| George Allen | Int. Retail Assn | HB 174 | ✓ | |
| James G. Larson | Mont. Rural Assn | HB 174 | ✓ | |
| William H. Porter | American Chemist Corp | HB 174 | | ✓ |
| Stanley Johnson | J.C. Penney Co. | HB 174 | ✓ | |
| Thomas J. Brown | Burlington Northern RR | HB 850 | | ✓ |
| Tom Dowling | Mont. R.R. Assn | 850 | | ✓ |
| Stan Dugdale | Dugdale Construction | 174 | | ✓ |
| Jean Cottingham | MEIC | 850 | ✓ | |
| W. H. Frost | Cement Works | 850 | ✓ | |
| W. H. Frost | Mont. State Bldg Trades | 850 | X | |
| Charles Chamberlain | Assoc. Bldgs & Cont. | 174 | | ✓ |
| Marilyn Lockman | Montcal Concl. | 174 | | ✓ |
| Bill Olson | MT. Contractors | HB 174 | | ✓ |
| Ben Hardahl | MT. Motor Carriers Assn | HB 174 | | ✓ |
| Ben Hardahl | MT. Motor Carriers Assn | HB 850 | | ✓ |
| Jimmy Fanning | MT Auto Dealers Assoc | HB 174 | | ✓ |
| Frank Davis | MT. St. Plom Assn | HB 174 | ✓ | |
| John Brambeck | Montana IDMA | HB-850 HB-174 | | ✓ |
| John Brambeck | Mont. I.P. Bldg Assn | HB-174 HB-850 | | ✓ |
| Janell Fallon | Mont Chamber | HB 850 | | ✓ |
| D. W. Hill | Armeda Dental Co. | HB 174 | | |

DATE

March 22, 1983

COMMITTEE ON

VISITORS' REGISTER

| NAME | REPRESENTING | BILL # | Check One | |
|-----------------|----------------------------|------------------|--------------|--------|
| | | | Support | Oppose |
| H.S. HANSON | MT. TECHNICAL COUNCIL | HB-174 | | ✓ |
| Larry Weinberg | MT. Univ. System | HB 850 | ✓ | |
| ARLEN FLOWERS | CEMENT WORKERS | HB 850 | ✓ | |
| Phil Morrison | Cement workers | HB 850 | ✓ | |
| Bill Kinsman | Champion Unit | HB 850 | | X |
| | | HB 174 | | X |
| Rayd Cyapier | NFIB | HB 174 | | X |
| Bob Needing | Mont. Wood Products Assn | 850 174 | | ✓ |
| CHAD SMITH | unemployment comp act, etc | HB 174 | | ✓ |
| Jim Hughes | Mont. Bell | HB 174 | | X |
| John Oke | MOU | 174 | | ✓ |
| Regina Pica | Aspharmacists | 850 | | ✓ |
| Phil Stoyse | MONT TAVERA AND INNKEEPERS | HB 174 | ✓ | |
| Colleen Robbins | MONTANA NURSES ASSOC | 850 | ✓ | |
| Roland D. Pratt | mt Restaurant Assoc | 174 | ✓ | ✓ |
| KEITH ANDERSON | Mont. Taxpayers Assoc | 174 | | ✓ |
| J. Hollow | MT. Home Builders | 174 | | ✓ |
| J. MacPhee | MT. Coal Council | 850 | | ✓ |
| W. Blake | mt Chief of Chap Assn | HB 826 | ✓ w/ comment | |
| Stacy Flaherty | women's lobbyist fund | HB 850 | ✓ | |
| Don Allen | mt. Petitioner Assn | HB 174 HB 850 | | ✓ |

(This sheet to be used by those testifying on a bill.)

NAME: F.H. BOLES DATE: _____

ADDRESS: Box 1730 Helena 59624

PHONE: 442-2405

REPRESENTING WHOM? MONT. CHAMBER OF COMMERCE

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: SEE ATTACHED TESTIMONY

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: David Hunter DATE: _____

ADDRESS: Helea

PHONE: S-3661

REPRESENTING WHOM? DLI

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? ✓ AMEND? ✓ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: William H Porter DATE: 3/22/83

ADDRESS: 1425 Winn Helena

PHONE: 442-7992

REPRESENTING WHOM? American Chem et Corp.

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Pat M. FittRICK DATE: 3/24/83

ADDRESS: P.O. Box 1184, Grant Ave. 17

PHONE: 227-4841

REPRESENTING WHOM? Joint Council of Teachers #2.

APPEARING ON WHICH PROPOSAL: L.B. 174; 850

DO YOU: SUPPORT? ✓ AMEND? OPPOSE?

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: JOHN H. MORRISON DATE: Nov 22 1983

910 HELENA AVE

ADDRESS: HELENA MT

PHONE: 442-5085

REPRESENTING WHOM? MORRISON - MAIER & F

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: ROBERT CORDELL DATE: 3-22-83

ADDRESS: 528 SMELTER AVE GREAT FALLS, MT 59404

PHONE: 453-1641

REPRESENTING WHOM? NORTHERN TESTING LABORATORIES, INC.

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? ☐ AMEND? ☐ OPPOSE? ☒

COMMENTS: SEE ATTACHED TESTIMONY

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: JAMES G. LARSON DATE: 3-22-83

ADDRESS: Shelby, MT

PHONE: 434-5112

REPRESENTING WHOM? MONT RETAIL ASSN. Self Owned Business

APPEARING ON WHICH PROPOSAL: HR 174

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: William Olson DATE: 3/22/83

ADDRESS: Helena, MT.

PHONE: 442-4162

REPRESENTING WHOM? Montana Contractors Assn.

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENT: _____

Written Testimony to committee

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Frank J. Davis DATE: 3/22/83

ADDRESS: 613 Bush Dr

PHONE: 452-3201

REPRESENTING WHOM? Mr. Hahn Pharmaceutical Assoc.

APPEARING ON WHICH PROPOSAL: HR 174

DO YOU: SUPPORT? ✓ AMEND? OPPOSE?

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: BOB HELDING DATE: 3-22-83

ADDRESS: MISSOULA, MT.

PHONE: _____

REPRESENTING WHOM? MT. Wood Products Assoc.

APPEARING ON WHICH PROPOSAL: HB 174 & HB 850

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? L

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: CNAD SMITH DATE: 3-22-83

ADDRESS: Box 604 HALENA

PHONE: 442-2980

REPRESENTING WHOM? unemployment Compensation advisors, Inc.

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Stanford O. Dugdale DATE: 3-22-83

ADDRESS: 1221 W. Woolman Butte, Mont

PHONE: 494-2435 723-4814

REPRESENTING WHOM? Dugdale Const. Co. Inc

APPEARING ON WHICH PROPOSAL: 174

DO YOU: SUPPORT? AMEND? ✓ OPPOSE?

COMMENT: HB 174 is a bill which will
saddle my company with a 76% increase.
At the present time we pay \$4,413.30.
Under the present proposal our contribution
would be \$7,749.29 this is a 75.5% increase.
Under the amendment proposed today the
cost will be \$8,947.90 or approximately a 103%.
This is based on 22 employees with 6 of them
over \$17,500.00.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Charles Chamberlain DATE: 3-22-83

ADDRESS: 105 Florine Lane, Bellmop 59101

PHONE: 745-5311

REPRESENTING WHOM? Mt. Chapter, Associated Builders & Contractors

APPEARING ON WHICH PROPOSAL: H.B. 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? ☒

COMMENT: Comments attached.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: DAVE GOSS DATE: 3/22/83

ADDRESS: P.O. Box 2519 Billings, MT. 59103

PHONE: 245-4111

REPRESENTING WHOM? Billings Chamber of Commerce

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: JERRY RAUNIG DATE: 3-22-83

PHONE: 442-1233

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: HS Hanson DATE: 3/22/83

ADDRESS: HELENA

PHONE: 449-4800

REPRESENTING WHOM? MONTANA TECHNICAL COUNCIL

APPEARING ON WHICH PROPOSAL: HB-174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? L

COMMENT: _____

IT WORKS AGAINST THOSE THAT
HAVE A LOW TURNOVER OF EMPLOYEES.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Ben Hardahl DATE: _____

ADDRESS: Helen

PHONE: _____

REPRESENTING WHOM? Montana Motor Carriers

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? ☒

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Marilyn Lockem DATE: 3/22/83

ADDRESS: 105 Florence Ln P.O. Box 20244 Billings, MT 59104

PHONE: 406-656-5718

REPRESENTING WHOM? MERCO Construction

APPEARING ON WHICH PROPOSAL: HB 174

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? ☒

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: John C. Drennback DATE: 3-22-53

ADDRESS: 1217 Wilder Helena

PHONE: 442-6647

REPRESENTING WHOM? Montana Tanna
Montana L.P. Gas Assn

APPEARING ON WHICH PROPOSAL: HB-174
HB-850

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? XX

COMMENT: 1. Federal Program will
handle.

2. Fiscal Note areas wrong?

3. Include Petroleum?

4. Include Paper?

5. State of Montana operate
under Fed Program

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: William J. White DATE: 3/22/83

ADDRESS: 316 N Park, Helena, MT.

PHONE: 442-9926 EXT 460

REPRESENTING WHOM? MT. Chaps of Helena

APPEARING ON WHICH PROPOSAL: HB 826

DO YOU: SUPPORT? ☒ AMEND? ☒ OPPOSE? ☐

COMMENT: Recommend delete section on pg 1 line 16 which reads: If the members of the dept are represented by a collective bargaining unit, the work period must be estab & in the collective bargaining agreement.

This wording makes it mandatory that work period must be estab in collective bargaining agreement. Most contracts last 2 years & if it were agreed upon in collective bargaining & 6 years later scheduling problems existed (loss of personnel or a particular schedule not feasible) the city could end up in bad shape as well as officer safety by not enough manpower etc. The intent of this bill is to provide flex shifts & not to

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

work an employee over 2080 hrs a year which all employees work currently.

Without this section - I support until such time I pull the other Chaps in the State

(This sheet to be used by those testifying on a bill.)

NAME: Eileen Robbins DATE: 3/22/83

ADDRESS: P.O. Box 5718 Helena

PHONE: 442-6710

REPRESENTING WHOM? MONTANA NURSES ASSOC

APPEARING ON WHICH PROPOSAL: HB 850

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENT:

MNA thinks this bill is important both
to protect workers in hospitals who may as
a part of their job be required to work w dangerous
chemicals & other materials. it to protect patients
who may require hospital services for contamination
of dangerous chemicals.

Health care workers must have access to
at least the name of dangerous chemicals the
injured may be subjected to.

I urge you to PASS HB 850.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Alyn Plowman DATE: 3-22-81

ADDRESS: Box 804 Three Forks, MT

PHONE: _____

REPRESENTING WHOM? Cement Workers Local 239

APPEARING ON WHICH PROPOSAL: HB 850

DO YOU: SUPPORT? ☒ AMEND? _____ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Stacy Flaherty DATE: 3/22

ADDRESS: Box 1099

PHONE: 449-7917

REPRESENTING WHOM? Women's Sublyst Fund

APPEARING ON WHICH PROPOSAL: H13850

DO YOU: SUPPORT? ✓ AMEND? OPPOSE?

COMMENT: See attached Testimony

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Bill Ramine DATE: 3-22-83

ADDRESS: Nelapa

PHONE: 442-2220

REPRESENTING WHOM? ~~the~~ Solid Waste Contractors Assn.

APPEARING ON WHICH PROPOSAL: H.R. 850

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENT: Some of the solid waste contractors presently pick up
toxic & hazardous waste. It would very helpful to know
what is being picked, how it is to be handled, how it is to be
disposed of and what happens when it is accidentally spilled.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Mike Waller DATE: 3/22/83

PHONE: ~~442~~ 442-6929

APPEARING ON WHICH PROPOSAL: HB 850

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Susan Cottingham DATE: 3/22/83

ADDRESS: Box 1184 Helena

PHONE: 443-2520

REPRESENTING WHOM? Montana Environmental Info Center

APPEARING ON WHICH PROPOSAL: HB 850

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENT: this bill gives employees the right to know
about what toxic chemicals they may be exposed to
in the workplace — they can thus take the proper
precautions to protect their safety + health
this will reduce occupational disease, lost
worktime + employer liability and provide
a healthier work environment

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Kenneth F. Yaring DATE: 3/22/83

ADDRESS: 19 Pecan Ln Billings, MT

PHONE: 248-8391

REPRESENTING WHOM? Northwest Scientific, Inc

APPEARING ON WHICH PROPOSAL: H.R. 800

DO YOU: SUPPORT? _____ AMEND? ☒ OPPOSE? ☒

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Larry Persinger DATE: 3-22-83

ADDRESS: 1800 Phillips Ave Butte

PHONE: 782-5634

REPRESENTING WHOM? Montana State Building Trades

APPEARING ON WHICH PROPOSAL: 850

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENT: Testimony Turned In

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Wyatt L. Ford DATE: 3-22-82

ADDRESS: 804 Three Forks, MT

PHONE: 587-1317

REPRESENTING WHOM? Cement & Asbestos Ltd - 39

APPEARING ON WHICH PROPOSAL: _____

DO YOU: SUPPORT? ✓ AMEND? OPPOSE?

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Tom Dowling DATE: 3/22

ADDRESS: 3030 N. Montana

PHONE: 442-9000

REPRESENTING WHOM? Mont. L. R. Asin

APPEARING ON WHICH PROPOSAL: H.B. 850

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Thomas J. Brown

DATE: 03-22-83

ADDRESS: 2224 Montana Avenue, Billings, MT 59101

PHONE: (406) 256-4279

REPRESENTING WHOM? Burlington Northern Railroad Company

APPEARING ON WHICH PROPOSAL: HB850

DO YOU: SUPPORT? _____

AMEND? _____

OPPOSE? X

COMMENT:

Burdensome law - employers usually
give information when asked - employers
give data to fire departments if asked -
controls for spill or unintentional releases
are already developed by employers.
If the bill is passed - will the employee
understand the information? What about the
status of limitations. Records for 40 years?
"Former" employee is not defined. Present
government system would be overloaded with
information. Too broad as the bill is written.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DEPARTMENT OF LABOR AND INDUSTRY
COMMISSIONER'S OFFICE

EXHIBIT 1
Submitted by
Dave Hunter
3/22/83 pg 1
STATE CAPITOL



TED SCHWINDEN, GOVERNOR

STATE OF MONTANA

(406) 449-3661

HELENA, MONTANA 59620

CONTRIBUTIONS PAID AND BENEFIT CHARGES
BY INDUSTRY
1983 RATING PERIOD
OCTOBER 1, 1979 THROUGH SEPTEMBER 30, 1982

| <u>INDUSTRY</u> | <u>CONTRIBUTIONS PAID</u> | <u>BENEFIT CHARGES</u> |
|---------------------------------------|---------------------------|------------------------|
| (1) Retail Trade | 23,797,685.25 | 8,475,636.05 |
| (2) Services | 18,990,187.55 | 9,256,482.05 |
| (3) Transportation, Communications | 9,972,374.93 | 3,925,268.94 |
| (4) Wholesale Trade | 10,529,726.44 | 4,813,282.09 |
| (5) Finance, Insurance & Real Estate | 6,755,574.15 | 1,271,936.83 |
| (6) Agriculture, Forestry and Fishing | 1,261,062.15 | 427,370.76 |
| (7) Non-Classified | 250,094.41 | 97,191.00 |
| (8) Mining | 10,560,900.35 | 11,697,172.70 |
| (9) Manufacturing | 16,055,761.00 | 21,474,989.75 |
| (10) Construction | 14,214,041.39 | 22,269,619.69 |
| | <u>112,387,406.72</u> | <u>83,708,949.86</u> |

Non-charged benefits for the 1982 rating period (October 1, 1979, through September 30, 1982) are \$23,970,654.25.

| | | Sched. I | Sched. II | Sched. III | Sched. IV | Sched. V | Sched. VI | Sched. VII | Sched. VIII | Sched. IX | Sched. X | Sched. XI | Sched. XII |
|---|--|----------|-----------|------------|-----------|----------|-----------|------------|-------------|-----------|----------|-----------|------------|
| Minimum Ratio of Fund to Total Wages | | (.015) | (.0145) | (.014) | (.013) | (.012) | (.011) | (.0095) | (.0075) | (.005) | (.0025) | (0) | |
| Average Tax Rate | | 1.3 | 1.5 | 1.7 | 1.9 | 2.1 | 2.3 | 2.5 | 2.7 | 2.9 | 3.1 | 3.4 | 3.7 |
| CONTRIBUTION RATES FOR ELIGIBLE EMPLOYERS | | | | | | | | | | | | | |
| Rate Class | | 0.2 | 0.3 | 0.5 | 0.7 | 0.9 | 1.1 | 1.3 | 1.5 | 1.7 | 1.9 | 2.2 | 2.5 |
| 1 | | | | | | | | | | | | 2.2 | 2.5 |
| 2 | | 0.4 | 0.6 | 0.8 | 1.0 | 1.2 | 1.4 | 1.6 | 1.8 | 2.0 | 2.2 | 2.5 | 2.8 |
| 3 | | 0.7 | 0.9 | 1.1 | 1.3 | 1.5 | 1.7 | 1.9 | 2.1 | 2.3 | 2.5 | 2.8 | 3.1 |
| 4 | | 1.0 | 1.2 | 1.4 | 1.6 | 1.8 | 2.0 | 2.2 | 2.4 | 2.6 | 2.8 | 3.1 | 3.4 |
| 5 | | 1.3 | 1.5 | 1.7 | 1.9 | 2.1 | 2.3 | 2.5 | 2.7 | 2.9 | 3.1 | 3.4 | 3.7 |
| 6 | | 1.6 | 1.8 | 2.0 | 2.2 | 2.4 | 2.6 | 2.8 | 3.0 | 3.2 | 3.4 | 3.7 | 4.0 |
| 7 | | 1.9 | 2.1 | 2.3 | 2.5 | 2.7 | 2.9 | 3.1 | 3.3 | 3.5 | 3.7 | 4.0 | 4.3 |
| CONTRIBUTION RATES FOR UNRATED EMPLOYERS: | | | | | | | | | | | | | |
| | | 2.1 | 2.3 | 2.5 | 2.7 | 2.9 | 3.1 | 3.3 | 3.5 | 3.7 | 3.9 | 4.3 | 4.7 |
| CONTRIBUTION RATES FOR DEFICIT EMPLOYERS | | | | | | | | | | | | | |
| Rate Class | | 2.2 | 2.4 | 2.6 | 2.8 | 3.0 | 3.2 | 3.4 | 3.6 | 3.8 | 4.0 | 4.4 | 4.8 |
| 1 | | | | | | | | | | | | | |
| 2 | | 2.4 | 2.6 | 2.8 | 3.0 | 3.2 | 3.4 | 3.6 | 3.8 | 4.0 | 4.2 | 4.6 | 5.0 |
| 3 | | 2.6 | 2.8 | 3.0 | 3.2 | 3.4 | 3.6 | 3.8 | 4.0 | 4.2 | 4.4 | 4.8 | 5.2 |
| 4 | | 2.8 | 3.0 | 3.2 | 3.4 | 3.6 | 3.8 | 4.0 | 4.2 | 4.4 | 4.6 | 5.0 | 5.4 |
| 5 | | 3.0 | 3.2 | 3.4 | 3.6 | 3.8 | 4.0 | 4.2 | 4.4 | 4.6 | 4.8 | 5.2 | 5.6 |
| 6 | | 3.2 | 3.4 | 3.6 | 3.8 | 4.0 | 4.2 | 4.4 | 4.6 | 4.8 | 5.0 | 5.4 | 5.8 |

SCHEDULE OF CONTRIBUTION RATES
FOR SOCIAL SECURITY TAX BASE
HB - 174

TAXABLE WAGE BASE - \$35,700

| EXHIB | | | | | | | | | | | | |
|---|---------|---------|--------|--------|--------|--------|---------|---------|--------|---------|--------|--------|
| | Sched. | Sched. | Sched. | Sched. | Sched. | Sched. | Sched. | Sched. | Sched. | Sched. | Sched. | Sched. |
| | I | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII |
| Minimum Ratio of Fund to Total Wages | (.0150) | (.0145) | (.014) | (.013) | (.012) | (.011) | (.0095) | (.0075) | (.005) | (.0025) | (0) | |
| Average Tax Rate | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.8 | 2.0 |
| CONTRIBUTION RATES FOR ELIGIBLE EMPLOYERS | | | | | | | | | | | | |
| Rate Class | | | | | | | | | | | | |
| 1 | 0.02 | 0.05 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 1.0 | 1.2 |
| 2 | 0.08 | 0.15 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.2 | 1.4 |
| 3 | 0.2 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.4 | 1.6 |
| 4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.6 | 1.8 |
| 5 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.8 | 2.0 |
| 6 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 2.0 | 2.2 |
| 7 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 | 2.2 | 2.4 |
| CONTRIBUTION RATES FOR UNRATED EMPLOYERS: | | | | | | | | | | | | |
| | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | 2.4 | 2.6 |
| CONTRIBUTION RATES FOR DEFICIT EMPLOYERS | | | | | | | | | | | | |
| Rate Class | | | | | | | | | | | | |
| 1 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | 2.3 | 2.5 | 2.7 |
| 2 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.7 | 2.9 |
| 3 | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | 2.9 | 3.1 |
| 4 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 | 2.9 | 3.1 | 3.3 |
| 5 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.3 | 3.5 |
| 6 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 | 3.5 | 3.7 |

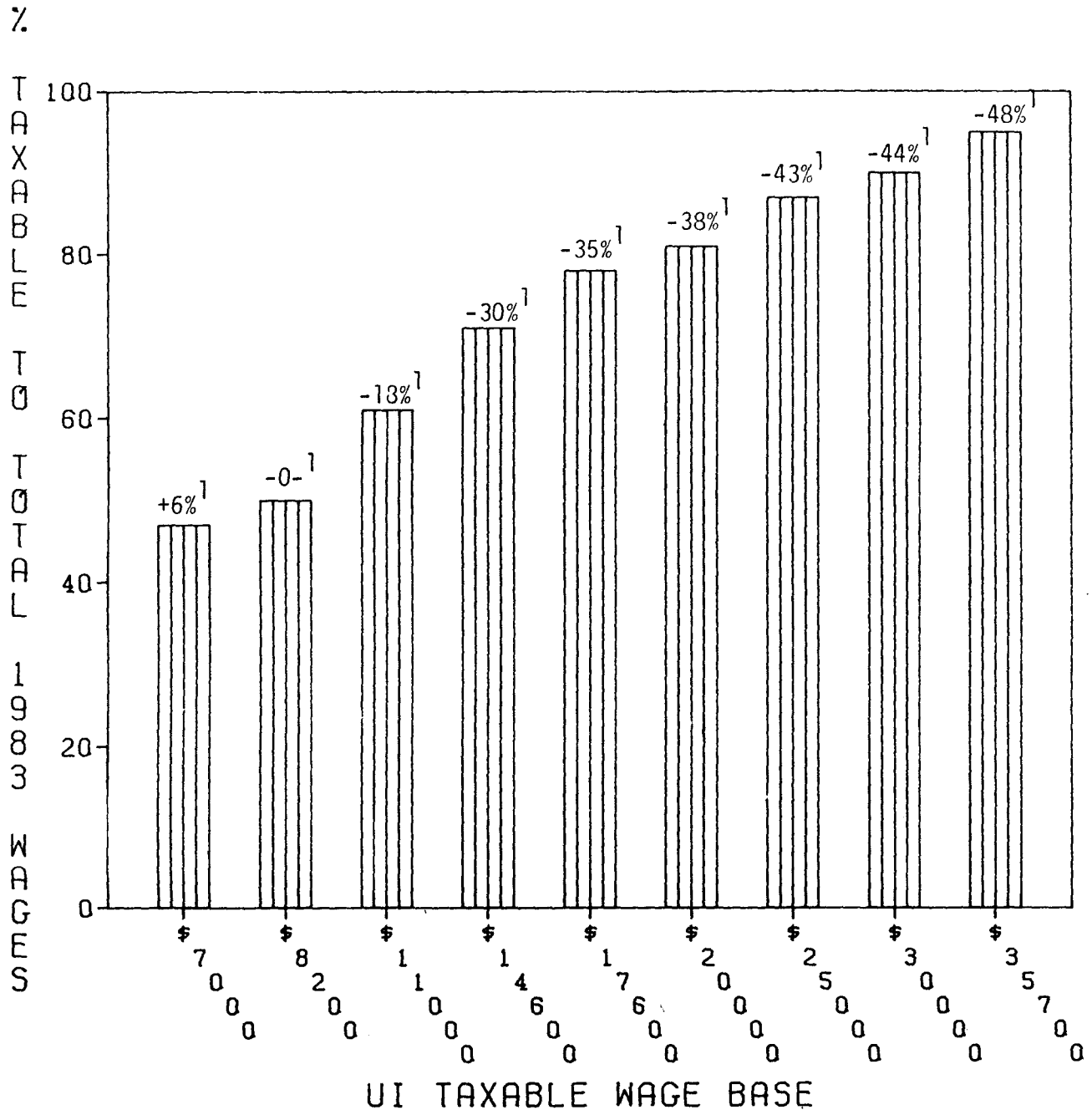
SCHEDULE OF CONTRIBUTION RATES
FOR WAGE BASE OF 120% A. A. W.

| Minimum Ratio of Fund to Total Wages Average Tax Rate | Sched. I | Sched. II | Sched. III | Sched. IV | Sched. V | Sched. VI | Sched. VII | Sched. VIII | Sched. IX | Sched. X | Sched. XI | Sched. XII |
|---|---------------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|----------------|--------------|---------------|
| | (.015) 1.1 | (.0145) 1.2 | (.014) 1.3 | (.013) 1.4 | (.012) 1.5 | (.011) 1.6 | (.0095) 1.7 | (.0075) 1.8 | (.005) 1.9 | (.0025) 2.0 | (0) 2.2 | 2.4 |
| CONTRIBUTION RATES FOR ELIGIBLE EMPLOYERS | | | | | | | | | | | | |
| Rate Class 1 | 0.01 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.1 | 1.3 |
| 2 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.3 | 1.5 |
| 3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.5 | 1.7 |
| 4 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.7 | 1.9 |
| 5 | 0.8 | 0.9 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.9 | 2.1 |
| 6 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.1 | 2.3 |
| 7 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 | 2.1 | 2.3 | 2.5 |
| CONTRIBUTION RATES FOR UNRATED EMPLOYERS: | 1.7 | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.8 | 3.0 |
| CONTRIBUTIONS FOR DEFICIT EMPLOYERS | | | | | | | | | | | | |
| Rate Class 1 | 3.9 | 4.0 | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 | 4.6 | 4.7 | 4.8 | 5.0 | 5.2 |
| 2 | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 | 4.6 | 4.7 | 4.8 | 4.9 | 5.0 | 5.2 | 5.4 |
| 3 | 4.3 | 4.4 | 4.5 | 4.6 | 4.7 | 4.8 | 4.9 | 5.0 | 5.1 | 5.2 | 5.4 | 5.6 |
| 4 | 4.5 | 4.6 | 4.7 | 4.8 | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 | 5.4 | 5.6 | 5.8 |
| 5 | 4.7 | 4.8 | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 | 5.4 | 5.5 | 5.6 | 5.8 | 6.0 |
| 6 | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 | 5.4 | 5.5 | 5.6 | 5.7 | 5.8 | 6.0 | 6.2 |

% OF TAXABLE TO TOTAL WAGES FOR VARIOUS TAX BASES

EXHIBIT 1

pg 5



¹ Percent necessary to decrease (or increase) tax rate in order to collect same amount of UI Contributions as 1983 present law (3.1% Average Rate at \$8,200 Taxable Wage Base).

SUGGESTED AMENDMENTS TO HB 174

pg 6

1. Page 1, line 25.

Following: "the"

Insert: "taxable wage base for each year is the greater of"

2. Page 2, line 1.

Strike: "payment of contribution is based on"

3. Page 2, line 2.

Strike: "Social Security Wage Base"

4. Page 2, line 3.

Insert: "(a) 120% of the average annual wage as determined for the previous calendar year; or
(b) the amount of taxable wage base specified in the Federal Unemployment Tax Act."

5. Page 2, line 15 through 25.

Strike: all.

6. Page 3, Page 4, Page 5, Page 6, through line 6.

Strike: all.

7. Page 2, line 15.

Insert: Attached schedule of contribution rates.

Insert: "(a) Notwithstanding Section 39-51-1217, the schedule to be used for 1983 will be Schedule XII.

(b) If a deficit employer is not assigned a rate of 5.4% and is in rate class 4, 5 or 6 for two previous years, the rate will be 5.4%."

Montana business climate still chilly, industrial study claims

Montana ranked last for overall general manufacturing business climate in the nine-state North Central region and No. 25 among the 48 contiguous states in 1982. This was up from 28th in 1981.

These results were reported in a study by Alexander Grant & Co., a national accounting firm, conducted with cooperation of the Conference of State Manufacturers' Associations.

Among other things, Montana had the third lowest productivity rate in the nation last year, the study said.

In the nine-state North Central region, the study gave the best overall grade to North Dakota, followed in order by Nebraska, Kansas, Idaho, South Dakota, Missouri, Wyoming, Montana and Iowa.

The study said it didn't consider "quality of life" in its rankings because this "is a personal concept for which we did find no objective basis for inclusion."

Montana, the study said, led its region in three of 22 measurement factors deemed important to manufacturers and was last in five. Nationally, it was among the top five states in four categories and among the bottom five in three.

Placing it among the top rankings, as far as business climate is concerned, the survey showed Montana had:

- Lowest state and local government general expenditure growth as a percentage of revenue growth, with spending increasing only 69 percent as fast as income over three years. This indicates effective budget balancing and was the best regionally and nationally.

- Smallest increase in the region and in the nation in annual hourly manufacturing wages over three years, 16 percent.

- Lowest regional and second lowest national fuel and electric energy costs at \$2.10 per million Btu for manufacturers.

- Montana also had the nation's fifth longest annual average work week, 41 hours.

Montana was last in the region in these categories:

- Lowest net worth of unemployment compensation trust fund: \$74 per covered worker.

- Highest average workers' compensation insurance rate of \$8.06 per \$100 of payroll of selected manufacturing occupations.

- Least value added by manufacturing employees of \$3.18 per dollar of production payroll. This was third lowest productivity rate in the nation.

- Highest average unemployment compensation benefits paid: \$138 per covered worker per year.

- Highest non-agricultural labor union and association membership, 29.3 per 100 non-agricultural workers.

Montana's other low national rankings are for the fifth highest rate of state and local taxes—\$120

per \$1,000 of personal income and for the second lowest population density, 14 persons per square mile.

In a ranking based on 22 factors controlled or influenced by state or local governments and indicative of potential for improvement via legislative action, Montana ranked seventh in the region and 28th nationally. Ten years ago the state was eighth and 31st respectively.

"We suggest that users of the study be particularly attentive to the regional rankings and state positions within each region," said Edwin Price, managing partner of Alexander Grant's Chicago office and partner in charge of the study since its inception in 1973.

"Although there is a propensity to look at national rankings," he said, "in practice business tends to locate or relocate within a specific region. Consequently, competition and programs to attract or locate manufacturing operations generally occur among states in the same region."

In the region, two states experienced significant change between the 1981 and 1982 studies. Nebraska improved (15 to 8) and Kansas dropped (4 to 10) while the other seven states remained at or near their 1981 ranks.

Price said the study is meant to be general rather than all-encompassing in its approach to manufacturing business climates. It provides business with one tool that can be used as an initial step in considering new or existing facilities, he said. It represents factors that apply to manufacturing in general, as expressed by manufacturing executives, he added.

The Grant report also distinguishes between specific and general factors that enter into a location decision.

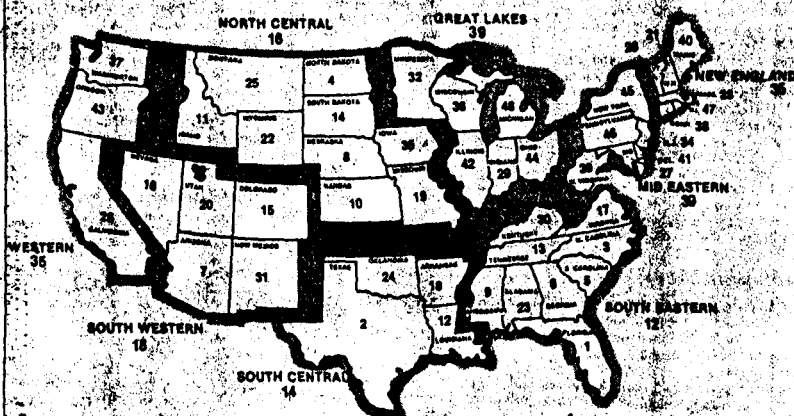
Specific factors that are not covered in the study but may be vital to decisions might include availability of raw materials; location of primary markets; availability of technically qualified personnel; right-to-work laws; transportation; or a quality of life acceptable to personnel.

Price also noted the study is intended to provide relevant, independently measured data that is comparable for all states.

EXHIBIT 2
Submitted by
Phil Strope
3/22/83

1982 BUSINESS CLIMATES STUDY

State Ranks and Regional Averages



Key: Number within the state is its overall rank based on 22 factors affecting business climate (1 best, 48 worst). Number below the regional name is the average rank of states within the region.

CALIFORNIA EMPLOYERS WITH LARGE DEFICIT RESERVES
1983 RATING PERIOD (10-1-79 THROUGH 9-30-82)

| ACCOUNT NUMBER | BUSINESS NAME | 1983 RATING PERIOD RESERVE 10-1-79/9-30-82 | EXHIBIT 3 Submitted by PhilStrope 3/22/83 |
|-------------------|---|---|--|
| 019885 | Atlantic Richfield Co. | - 3,920,612.36 | |
| 001431 | St. Regis Paper Co. | - 1,481,004.53 | |
| 042683 | Evans Products Co. | - 1,133,532.42 | |
| 027697 | Louisiana Pacific | - 807,018.34 | |
| 042851 | Owl Construction | - 569,732.23 | |
| 032834 | Zook Brothers | - 491,225.65 | |
| 003656 | Diamond International Corp. | - 485,843.77 | |
| 001948 | Huttig Sash & Door Co. | - 476,859.01 | |
| 009426 | Sletten Construction | - 310,260.81 | |
| 009745 | Peter Kiewit & Sons Co. | - 308,605.82 | |
| 020184 | Hilde Construction | - 291,974.03 | |
| 068495 | Crow Tribe | - 285,055.14 | |
| 002909 | F B Stoltze Land & Lumber | - 270,307.33 | |
| 004328 | Midland Foods | - 268,885.70 | |
| 079943 | Beyers General Constructors Inc. | - 262,503.77 | |
| 004413 | Boise-Cascade | - 251,751.77 | |
| 062774 | Wickens Corp. | - 192,697.56 | |
| 050547 | McIntyre Construction Co. | - 150,561.05 | |
| 038706 | Boeing Co. | - 148,115.59 | |
| 076117 | W-I Forest Products Inc. | - 136,531.74 | |
| 024908 | Fred King Construction Inc. | - 134,927.06 | |
| 078610 | Wick Building Systems | - 129,290.88 | |
| 002955 | Superior Building Co. | - 126,792.41 | |
| 064248 | Dana Corp. | - 121,649.93 | |
| 015057 | Sverdsten Logging Co. Inc. | - 115,761.47 | |
| 017595 | McElroy and Wilken | - 114,327.47 | |
| 006413 | Morrison-Knudsen | - 91,038.36 | |
| 002270 | Great Western Sugar Co. | - 81,161.51 | |
| 025991 | Confederated Salish and Kootenai Tribes | - 66,635.31 | |
| 003749 | Salt Creek Freightways Corp. | - 47,475.44 | |
| 050375 | Decker Coal Co. | - 41,552.88 | |
| TOTAL | | <u>-13,314,696.85</u> | |

NOTES:

1. Increase in Deficit Reserves for these accounts from the 1982 rating period (10-1-79/9-30-81) to the 1983 rating period (10-1-79/9-30-82) is 7,980,217.94.
2. The following are accounts with large Deficit Reserves that are now cancelled:

| Account Number | Business Name | 4/81-3/82 Deficit Reserve | Date Cancelled |
|-------------------|--------------------------|------------------------------|-------------------|
| 018996 | Royal Logging | 277,295.66 | 12/31/81 |
| 033473 | Wickens Brothers | 250,300.56 | 05/31/82 |
| 055710 | Rehbein Contracting Inc. | 399,215.80 | 12/31/82 |
| | | <u>926,812.02</u> | |

3. The benefit charges for Deficit Employers increased 17,385,424.00 from 38,840,595.00 in the 1982 rating period to 56,675,020.00 in the 1983 rating period, or 31.5%.

EXHIBIT 4
Submitted by
George Allen
3/22/83

Mr. Chairman and Members of the Committee:

My name is George Allen and I am the Executive Vice President of the Montana Retail Association. I am here today in support of House Bill #174.

The retailers of the State of Montana are in support of House Bill #174 because it is a fairness bill, a bill that equalizes the burden of paying Unemployment Insurance more equitably among all the employers.

The retailer as identified by the Department of Unemployment Insurance, covers more than retailing. When we hear the word retailer in this hearing you should realize we are talking about many different types of businesses with varied interests, mostly made up of employers who have employees with wages on the lower end of the wage scale.

The retailers are the largest contributors to the Unemployment Insurance Fund, yet we draw very little out. Last year we contributed over 8 million dollars into the fund and we have a reserve of 5.3 million dollars. In other words, approximately 60% of our contributions went to subsidize someone else.

This is an insurance fund and we cannot expect to draw out all we put in. For the sake of discussion, lets relate this to your car insurance. If you drive a Cadillac and I drive a Ford, should I pay the same rate as you? What if I have several accidents and you have none? Should I pay the same insurance premium as you? I think you can see through that argument rather fast.

We have a new set of problems facing us in the 80's that we did not have in the previous decades. We have all seen on television, heard on the radio, read in magazines and newspapers of the new problems. For example, we see the mid-management, well-educated, higher paid employee standing in the unemployment lines for the first time in their lives. No longer is it just the blue collar, or the lower income person making demands on the Unemployment Insurance Fund.

EXHIBIT 4

The problems we have today are caused by excessive Unemployment Insurance claims and deficit employers. If the claims had been less or the deficit employer had paid his fair share, we wouldn't need to be here today.

I understand that Atlantic Richfield was a deficit employer to the tune of 3.9 million dollars last year. It is estimated they will exceed five million dollars this year. Yet, they only paid Unemployment Insurance on the first \$8,200 in salary. That is not fair nor equitable. The retailer and the stable employer has had to pick up their deficits. This is just one example. Numerous other cases could be quoted with a similar track record.

Figures have been floating around the State showing House Bill #174 raising taxes. It is important that we compare oranges with oranges. For example, our present law ends with class ten, which we all just went into this Spring. The amendment to House Bill #174 goes out to class 12. You cannot reasonably compare a tax that class 12 will generate to that of class 10 and say "Look at the big tax increase."

You will probably hear testimony about one company or another that will show a big increase in Unemployment Insurance contributions if House Bill #174 is passed. What they probably will not say is that if House Bill #174 is not passed they also will have a big increase in their Unemployment Insurance contributions.

If House Bill #174 is not passed the department will borrow money and we will have to pay 5.7 million dollars in just interest. We have borrowed money before and paid it back; as much as ten million dollars. Now, for the first time, we must pay interest on what we borrow. When you consider the three tenths of one percent increase in FUTA, the interest payment of 5.7 million dollars, paying off the deficit, and the new rate schedule we were all triggered into this spring, and add these all together and compare that increase to what their stated increase will be, it's about a wash.

The Governor is proposing to extend our rate class out to twelve. Class twelve would only be triggered in when we have a problem such as now. This will cause

us all to pay more money into the fund, but this would only be used in an emergency situation. As a businessman, I would rather pay the additional tax that would go on the principle than have to pay 5.7 million dollars in interest. Paying that magnitude in interest just doesn't make good business sense to me.

As a businessman and lobbyist for a business group, it really bothers me to see the business community split on this issue. As you know, House Bill #174 passed the House with a wage base of \$35,700. The retailer and the small business community in the State have compromised their support from \$35,700 down to \$17,600. Yet there has been very little movement on the part of big business. As I mentioned, the business community is split and the lines are clearly drawn. This is a case of big business versus small business.

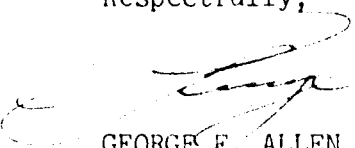
Of all the taxes the businessman is required to pay, (and there seems to be a never ending list,) the Unemployment Insurance Tax is the most unfair and inequitable. I would like to emphasize the reason for this bill is the business issue. It equalizes in a more equitable manner the burden of paying Unemployment Insurance.

After you consider all the testimony and digest all the charts and figures, the bottom line really comes down to one of these 3 choices:

1. We can adequately fund the Unemployment Insurance program through House Bill #174, extend the rate class out to twelve and the deficit to 5.4 percent. This will temporarily cause us all to pay some extra into the fund, but in the long run most Eligible Employers will pay less than they do now and the Deficit Employers will pay more. The burden will be shared in a more equitable manner.
2. Your second choice is to kill House Bill #174, go with what we have now, pay interest of 5.7 million dollars, and hope some day we can pay back the deficit. This would place the burden on the shoulders of the employer who is now paying more than his fair share.
3. Your third choice is to amend the amendment.

In closing, let me use an example. If Mr. A earned \$30,000 a year and paid income tax only on the first \$8,200, or 27 percent of his earnings, and Mr. B earned only \$8,200, but he had to pay taxes on 100 percent of his salary, is that fair and equitable?

Respectfully,



GEORGE E. ALLEN
Executive Vice President
Montana Retail Association

CONTRIBUTION COSTS BY INDUSTRY
(Schedule 10 under each)
March 10, 1983
(In Thousands)

EXHIBIT 4

pg 5

| INDUSTRY | Present Law | | HB 174 | | Proposed Amendment 120% AAW and 2.0% | |
|---------------|-------------|---------|----------|---------|---|---------|
| | Eligible | Deficit | Eligible | Deficit | Eligible | Deficit |
| Agriculture | \$ 352 | \$ 41 | \$ 253 | \$ 38 | \$ 271 | \$ 69 |
| Mining | \$1,701 | \$1,358 | \$1,991 | \$2,023 | \$1,410 | \$2,434 |
| Construction | \$1,912 | \$2,535 | \$1,681 | \$2,835 | \$1,585 | \$4,545 |
| Manufacturing | \$3,130 | \$2,597 | \$3,333 | \$3,520 | \$2,593 | \$4,100 |
| Trans. Comm. | \$3,438 | \$ 472 | \$3,955 | \$ 692 | \$2,849 | \$ 147 |
| Wholesale | \$3,562 | \$ 397 | \$3,673 | \$ 522 | \$2,951 | \$ 737 |
| ✓ Retail | \$8,254 | \$ 644 | \$5,844 | \$ 580 | \$6,262 | \$1,056 |
| Fin. Ins. R/E | \$2,629 | \$ 91 | \$2,333 | \$ 103 | \$2,178 | \$ 164 |
| Services | \$6,044 | \$ 851 | \$6,475 | \$1,647 | \$5,008 | \$2,165 |
| NonClass. | \$ 72 | \$ 14 | \$ 57 | \$ 14 | \$ 60 | \$ 25 |

All contributions due are in thousands of dollars.

The taxable and total wages used in the calculations were for the period of October 1981 through September 1982, which would provide contributions due during the calendar year 1982 as if schedule 10 were in effect. Average rates for both eligible and deficit employers were applied to each industry as follows.

Rates used under present law conditions were an average rate of 2.8% for eligible employers and 4.4% for deficit employers. This represents schedule 10 with an average rate of 3.1%.

Rates used under HB 174 conditions were an average rate of 1.4% for eligible employers and 2.8% for deficit employers. The wage base would have been \$35,700 and average rate for all employers is 1.6%.

Rates used under the proposed amendment with the wage base of 120% of the average annual wage and an average rate of 2.0%, were an average rate of 1.5% for eligible employers and an average rate of 5.1% for deficit employers.

Montana State Pharmaceutical Association

EXHIBIT 5
Submitted by

Frank Davis
3/22/83

Incorporated
P.O. BOX 6335
GREAT FALLS, MONTANA 59406
TELEPHONE 406-452-3201

January 27, 1983

Testimony Supporting HB 174

By: Frank J. Davis, R.Ph.
Executive Director
Montana State Pharmaceutical Association
P. O. Box 6335
Great Falls, MT 59406
Phone 452-3201

Mr. Chairman:
Members of the Committee on Labor and Employment Relations:

The pharmacists of Montana and their association would appreciate your favorable consideration on HB 174. We believe this bill would more equitably distribute employer contributions to the unemployment fund. We believe the rate schedule proposed in this legislation would produce a better balance between the amount of money contributed to the fund by an employer and the benefits available to the employees of that company when needed.

We support the testimony offered by the Montana Retail Association and would appreciate a do-pass recommendation from this committee.

Thank you,



Frank J. Davis
Executive Director



Montana Chapter
Associated Builders & Contractors, Inc.

105 Florine Lane
Billings, Montana 59101

EXHIBIT 6
3/22/83

Testimony by: Charles Chamberlain
Executive Vice President
Montana Chapter, ABC

Mr. Chairman, members of the Senate Labor Committee, I am speaking for the members of our association in opposition to H. B. 174.

Our industry, construction, has been struggling for existence since the fall of 1979. I emphasize struggling for existence not maintaining the status quo or moving ahead slowly or otherwise.

We recognize that it is impossible to have tax equalization. However, the imbalance created by H.B. 174 on the construction industry is just to great.

I have surveyed several of our contractor members and have found that the increased overhead created by H.B. 174 ranges from a low of 46 % to a high of 53 %.

We therefore urge the Committee to give this bill an unfavorable report or, at least, exempt, by amendment, the construction industry from this legislation.

OFFICERS: PRESIDENT - Larry A. Lockrem, 1st VICE PRESIDENT - Charles Rowland,
2nd VICE PRESIDENT - Gilbert Mattes, SECRETARY - Steve Koonitz, TREASURER - Gregory Sampson
Charles W. Chamberlain - EXECUTIVE VICE PRESIDENT
Tommy B. Duke - ATTORNEY

Merit Shop Builds Montana Best

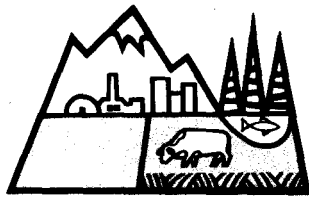


EXHIBIT 7
Submitted by
Forrest Boles
3/22/83

P. O. BOX 1730

• HELENA, MONTANA 59624

• PHONE 442-2405

Testimony
before the
Senate Labor and Employment Relations Committee
Gary C. Aklestad, Chairman
in opposition to
HB 174
by
Forrest H. Boles
President
Montana Chamber of Commerce
March 22, 1983

Mr. Chairman, members of the Committee, for the record my name is Forrest Boles, President of the Montana Chamber of Commerce.

I appear as an opponent of HB 174 even though the Montana Chamber of Commerce has members on both sides of the issue. We represent virtually every employer group and must take a broad, objective view of unemployment compensation issues. It is apparent that HB 174, as it passed the House, favors some employers at the expense of others. It also violates the well accepted state of the art in unemployment compensation across the country that there must be a realistic balance between the tax rate and the wage base to which that tax is applied.

As part of the Chamber's testimony I have three representatives of business on hand to point out how HB 174 adversely affects them. Their testimony will show the adverse impact of HB 174 as it passed the House and the proposed amendments calling for a \$17,600 base and 2.4% average tax rate compared to current law.

We could have called in a host of Chamber members likewise adversely affected but in the interest of time we chose these as being representative of hundreds of other employers in the state.

With your permission, after they are finished, I will make some general remarks to conclude the Montana Chamber of Commerce testimony.

There are two separate major questions to be answered here.

#1. Is the current system so inequitable that it justifies the drastic changes provided in HB 174 as it passed the House with the \$35,700 base with very little increase in the amount of money paid into the unemployment compensation fund over the biennium.

#2. Does this Committee want to consider the Department of Labor amendments which would greatly increase the amount of money paid into the fund and reduce significantly the need to borrow from federal sources.

How extensive is the inequity in the current system?

It must be stressed that no unemployment compensation tax system can be absolutely equitable to all employers. It is, after all, an "insurance" program in which the taxes represent "premiums" but the important difference is that if your employees don't draw any benefits your "premium rate" is low and if your employees do draw the "premium rate" increases. (Under current law that rate ranges from 1.9% of the taxable wage base to 4.4% of the base in schedule #10.) Chart A is a Department of Labor chart showing the various amounts paid into the fund by employer groups on a per

employee basis. This shows that employers that traditionally draw on the fund already pay considerably more than those who don't on a per employee basis.

The argument used by the proponents that their employer groups "subsidize" the employer who traditionally draws heavily on the fund can certainly be made by other stable employer groups as indicated by earlier testimony. The various employer groups should recognize that this is simply the appropriate workings of the "insurance" system that has been established.

When you consider that many employers in the groups represented by the proponents pay individual employees less than \$8,200 annually because of considerable use of part time and seasonal employees and those employers paying at least \$8,200 could be considered as "subsidizing" them; the so-called "inequities" fade even further.

It should be noted that the establishment of such a high wage base will tempt future legislatures to raise the tax rate slightly and increase the money in the fund greatly. This, in turn, would bring demands from organized labor for higher benefits and extensions of benefits. Of additional concern are current recommendations in Washington, D.C. that training programs could be funded from unemployment compensation trust fund monies. If funds are diverted from the unemployment compensation fund, reaching the limits placed on the build-up of the fund by the reserve ratio system becomes more difficult and employer costs are increased. Once the taxable wage base is raised in the drastic manner proposed in HB 174 it will be next to impossible to reduce it. Even the proposed amendment reducing it to \$17,600 is much too high. These proposals

Testimony
HB 174
Montana Chamber of Commerce
March 22, 1983
Page 4

EXHIBIT 7

pg 4

play right into the hands of organized labor and those who would pervert the unemployment compensation system to some kind of social welfare program. (The average wage base across the country is approximately \$8,200 based on 1982 figures.)

The existing system will work and paying interest on necessary borrowing has been provided for in other legislation. If this committee chooses to do a major overhaul of the unemployment compensation insurance system that has a reasonable balance between the tax rate and the wage base the Montana Chamber of Commerce will assist the Committee in any way possible to accomplish it. If the choice is between passage of HB 174, even with the Department of Labor amendment, and the existing system we encourage you to kill the bill and keep the existing system in place.

/ssg

CHART A

EXHIBIT 7

CONTRIBUTION COST PER EMPLOYEE
BY INDUSTRY
March 16, 1983

pg 5

| INDUSTRY | Present Law | HB 174 | 174 Amendment |
|---------------|-------------|----------|---------------|
| Agriculture | \$176.64 | \$125.25 | \$177.45 |
| Mining | \$287.13 | \$434.81 | \$367.05 |
| Construction | \$369.77 | \$437.43 | \$524.96 |
| Manufacturing | \$259.71 | \$325.37 | \$301.93 |
| Trans. Comm. | \$218.28 | \$305.66 | \$269.70 |
| Wholesale | \$199.94 | \$231.53 | \$207.27 |
| Retail | \$156.79 | \$119.45 | \$162.12 |
| Fin. Ins. R/E | \$187.19 | \$191.63 | \$226.71 |
| Services | \$130.87 | \$148.87 | \$145.85 |
| Unclass. | \$234.64 | \$198.95 | \$255.40 |

Wages used in the computations were from the period October 1981 through September 1982, and contributions due were calculated as if the final schedule were in effect. Average rate classes for each industry were used to determine the rate class for each industry. The contributions due by industry were then divided by the average employment in that industry during the same period of time.

House Bill 174 in its present form would not produce additional revenue for the agency but redistribute to higher cost industries. The amendment, however, would produce revenue adequate to offset projected benefit costs as well as redistribute to higher cost industries.

CHART B

CONTRIBUTION COSTS BY INDUSTRY
March 16, 1983
(In Thousands)

EXHIBIT 7

pg 6

| INDUSTRY | Present Law | | HB 174 | | Proposed Amendment 120% AAW and 2.4% | |
|---------------|-------------|---------|----------|---------|---|---------|
| | Eligible | Deficit | Eligible | Deficit | Eligible | Deficit |
| Agriculture | \$ 352 | \$ 41 | \$ 253 | \$ 38 | \$ 344 | \$ 73 |
| Mining | \$1,701 | \$1,358 | \$1,991 | \$2,023 | \$1,786 | \$2,578 |
| Construction | \$1,912 | \$2,535 | \$1,681 | \$2,835 | \$2,008 | \$4,813 |
| Manufacturing | \$3,130 | \$2,597 | \$3,333 | \$3,520 | \$3,285 | \$4,931 |
| Trans. Comm. | \$3,438 | \$ 472 | \$3,955 | \$ 692 | \$3,609 | \$ 897 |
| Wholesale | \$3,562 | \$ 397 | \$3,673 | \$ 522 | \$3,739 | \$ 775 |
| Retail | \$8,254 | \$ 644 | \$5,844 | \$ 580 | \$7,932 | \$1,119 |
| Fin. Ins. R/E | \$2,629 | \$ 91 | \$2,333 | \$ 103 | \$2,759 | \$ 174 |
| Services | \$6,044 | \$ 851 | \$6,475 | \$1,647 | \$6,344 | \$2,293 |
| NonClass. | \$ 72 | \$ 14 | \$ 57 | \$ 14 | \$ 77 | \$ 27 |

All contributions due are in thousands of dollars.

The taxable and total wages used in the calculations were for the period of October 1981 through September 1982, which would provide contributions due during the calendar year 1982 as if the final schedule were in effect. Average rates for both eligible and deficit employers were applied to each industry as follows.

Rates used under present law conditions were an average rate of 2.8% for eligible employers and 4.4% for deficit employers. This represents schedule 10 with an average rate of 3.1%.

Rates used under HB 174 conditions were an average rate of 1.4% for eligible employers and 2.8% for deficit employers. The wage base would have been \$35,700 and average rate for all employers is 1.6%.

Rates used under the proposed amendment with the wage base of 120% of the average annual wage and an average rate of 2.4%, were an average rate of 1.9% for eligible employers and an average rate of 5.4% for deficit employers.

CHART C

COMPARISON OF RATE SCHEDULES 10 or 12
Present Law, HB 174, HB 174 Amendment
March 16, 1983

EXHIBIT 7

pg 7

| | Schedule | Present Law (10) | H.B. 174 (10) | 174 Amend. 120% AAW (12) |
|-----------|----------|------------------------|---------------------|--------------------------------|
| Ave. Rate | | 3.1% | 1.6% | 2.4% |

Rate Class Eligible Employers

| | | | |
|---|-----|-----|-----|
| 1 | 1.9 | 0.8 | 1.3 |
| 2 | 2.2 | 1.0 | 1.5 |
| 3 | 2.5 | 1.2 | 1.7 |
| 4 | 2.8 | 1.4 | 1.9 |
| 5 | 3.1 | 1.6 | 2.1 |
| 6 | 3.4 | 1.8 | 2.3 |
| 7 | 3.7 | 2.0 | 2.5 |

| | | | |
|-------------------|-----|-----|-----|
| Unrated Employers | 3.9 | 2.2 | 3.0 |
|-------------------|-----|-----|-----|

Rate Class Deficit Employers

| | | | |
|---|-----|-----|-----|
| 1 | 4.0 | 2.3 | 5.2 |
| 2 | 4.2 | 2.5 | 5.4 |
| 3 | 4.4 | 2.7 | 5.4 |
| 4 | 4.4 | 2.9 | 5.4 |
| 5 | 4.4 | 3.1 | 5.4 |
| 6 | 4.4 | 3.3 | 5.4 |

The amendment to change the taxable base to \$17,600 would increase our taxable wage base to \$704,800. At 2.1% (my understanding of the Class 5 rate), this would require payments of \$14,800.80, an increase of 67.1%.

Although we have laid off several people, our unemployment insurance account was still in the black in December. Our actual contributions from Sept. 30, 1978 to Oct. 1, 1981 were \$41,471.41. Employer benefits totaled \$15,099 resulting in a favorable balance of \$26,372.41.

Our estimated contribution from October 30, 1981 to October 30, 1982 was \$10,202.83. Employer benefits are estimated at \$7,106 resulting in a favorable balance of another \$3,096 and a total favorable balance of \$29,468 as of October 30, 1982. If our balance goes in the red, I expect that because of the nature of insurance that our rate will increase proportionately to our group experience.

It is my opinion that the changes in the base favor employers who pay low wages while companies like ours that pay high wages are penalized. This is difficult to accept when we are already having business problems.

I suggest keeping the taxable wage base the same and changing the taxable rate to raise the necessary monies across the present broad spectrum of employers. If you want to reduce the burden on the companies that pay lower wages, you might consider charging the unemployment trust payments directly to the employees as is done in several other states.

I feel like the man in Fiddler on the Roof, who had just given Anonken, the begger, a kopec. Anonken complained, "Last week you gave me 2 Kopecs", and I replied, "But I've had a bad week", to which the beggar chided, "So if you had a bad week, why should I suffer?"



MORRISON-MAIERLE, INC.

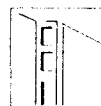
CONSULTING ENGINEERS

STRUCTURAL

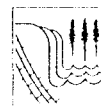
WATER RESOURCES

ENVIRONMENTAL

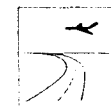
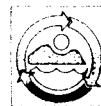
TRANSPORTATION



ENGINEERS



EARTH SCIENTISTS



PLANNERS

EXHIBIT 9

Submitted by

John Morrison

March 22, 1983

3/22/83

Senate Labor Committee

Gentlemen:

My name is John Morrison. I am associated with Morrison-Maierle Consulting Engineers.

In its original form HB 174 would increase the taxable wage base from \$8,000 in 1982 to \$35,700. This represents an increase of over 446%.

Applying the rate for class 6 to our actual experience for 1982 our unemployment tax would have been \$30,148.00. This compares to the actual tax we paid of \$20,256.00. This represents an increase in tax of over 148%.

| | | | | |
|--------------|---|-------------------|---|-------------|
| Rate Class 6 | | Tax Wage \$35,700 | | Tax |
| 1.8 | x | 1,674,905 | = | \$30,148.00 |

With regard to the proposed amendment to HB 174 applying the rate for class 6 to our actual experience for 1982 our unemployment tax would have been \$29,266.70. This represents an increase in tax of 144%.

| | | | | |
|--------------|---|-------------------|---|-------------|
| Rate Class 6 | | Tax Wage \$17,600 | | Tax |
| 2.3 | x | 1,272,465 | = | \$29,266.70 |

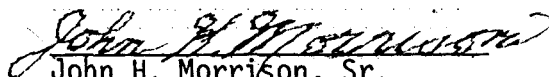
In 1981/1982, due to the state of the economy and the construction industry in particular, our firm experienced the largest reduction in staff in its 37 year history. The total dollars charged to our account for unemployment compensation benefits during 1982 was \$24,924.00. The tax Morrison-Maierle paid during 1982 was \$20,256.00. To the best of my knowledge this is the first year where benefits paid out exceeded the tax we paid in.

In a competitive business environment it is not true that a business can pass through to its clients all of the taxes and expenses it incurs. In order to maintain our workload we are competing with businesses not only within Montana but throughout the Northwest. If our cost of doing business is not in line with our competition, we will not get the work to keep our people employed. It is my understanding that the average taxable wage base across the country is approximately \$8,200.00. For Montana to more than double, triple or even quadruple this taxable wage base would adversely affect Montana business and employment.

For the above facts and reasons presented above we recommend a "Do Not Pass" action for HB 174.

Sincerely,

MORRISON-MAIERLE, INC.


John H. Morrison, Sr.

3/22/83

My name is Robert Cordell, and I am the Controller and Secretary/Treasurer of Northern Testing Laboratories, Inc., a Montana corporation providing consulting engineering and construction material testing. The company was incorporated twenty five years ago and operates Montana offices in Great Falls and Billings. Last year we employed an average of 90 Montana employees and paid out approximately \$2 million in wages. It should be pointed out that NTL is a small business employer and also that it is not considered a deficit employer with the unemployment commission.

NTL is an employee oriented company and is owned by its' employees. Being related to the construction industry, our business is somewhat cyclical. Business starts to slow down in September or October and is very slow until March or April, depending on the Montana winters. In the past we have kept our employees on the payroll through the winter, trying to maintain a working nucleus for the Spring startup. We have always been very careful in analyzing claims for unemployment benefits to be charged against our account. We have protested all claims that we feel should not be charged. We feel that this is one of the main reasons that we are not a deficit employer.

Our understanding of HB174 indicates that our taxes would be 1.8% of all wages up to \$35,700. Using the 1982 wages as a base, this would have the following effect on our business.

| | <u>BASE</u> | <u>TAXABLE WAGES</u> | <u>RATE</u> | <u>ANNUAL PREMIUMS</u> | <u>INCREASE</u> |
|-----------|-------------|--------------------------|-------------|----------------------------|-----------------|
| 1982 | 8,000 | \$679,438 | 3.0 % | \$20,383 | -0- |
| 1983 | 8,200 | 693,438 | 3.4 % | 23,577 | 15% |
| PROPOSED: | 17,600 | 1,233,321 | 2.3 % | 28,366 | 39% |
| PROPOSED: | 35,700 | 1,681,765 | 1.8 % | 30,272 | 49% |

Increasing the base to \$35,700, will increase our contribution almost

EXHIBIT 10

pg 2

50%! We have already been notified that the base will increase to \$8,200 and the rate to 3.4% for 1983. This will be a 15% increase which is difficult to understand with the following past history:

| | <u>CONTRIBUTIONS</u> | <u>BENEFITS</u> | <u>RESERVE</u> |
|------------------|----------------------|-----------------|----------------|
| 1979-1980 & 1981 | 61,563 | 19,989 | 41,574 |
| 1982 | 20,383 | 17,738 | 2,645 |

Our history over the past four years show a reserve of over two years premium and now HB174 will probably increase that reserve another 25%!!

The primary objection to the tax increase is that it penalizes a company like ours by increasing the burden on higher paid wages. The philosophy of NTL is best explained in an excerpt of our long range plan:

"The primary objective of Northern is to provide a professional service within our areas of expertise and in doing so provide an atmosphere conducive to professional development for those professionals who want to live in the Pacific Northwest."

We set our wage scale each year based on national and local wage information and try to be competitive so that we can hire and keep good employees to grow with the company. By paying good wages and benefits we keep our turnover low and keep workers in Montana.

Passage of HB174 will penalize us for this philosophy. This type of taxation encourages lower wages and higher turnover. As stated before, we try to carry our permanent employees through the winter. By winter we have paid the maximum unemployment tax which helps ease the financial burden for

these payrolls. Passage of HBI74 will continue unemployment premiums on 90% of the employees throughout the year. This could be a factor on continuing to keep all employees on the payroll through the winter months or laying them off to collect unemployment benefits.

To summarize, this bill would make us rethink our policies on:

1. Paying higher wages to keep Montana employees in Montana
2. Whether to pay lower wages and increase turnover
3. Whether to carry employees through the winter or turn them over to unemployment benefits

I strongly urge you to act favorably upon this request and not to urge passage of HBI74 or its amendments.

Thank you for this opportunity to present this statement.

A handwritten signature in black ink, appearing to be "John Smith", written in a cursive style.

//

MONTANA CONTRACTORS'

Association, Inc.

EXHIBIT 11
Submitted by
William Olson
3/22/83

William Olson, Sec.-Mgr.
Phone (406) 442-4162

1717 11th Ave., P. O. Box 4519
Helena, Montana 59604



CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.

TESTIMONY BEFORE SENATE LABOR & EMPLOYMENT COMMITTEE

March 22, 1983

By: William Olson
Secretary-Manager
Montana Contractors' Association, Inc.
Helena, Montana

For the record, I am Bill Olson, Secretary-Manager of the Montana Contractors' Association.

We oppose HB 174 because of the extreme adverse impact on the construction industry. By virtue of climatic conditions in Montana, contractors can work only 8-9 months out of the year. As a result, contractors are normally in the Deficit Employer category. Our opposition is based on the fact that under HB 174 the contractors would be saddled with tremendous increases. Cases in point:

I sampled six contracting firms of various sizes and discovered that under HB 174 the increases would range from 66% to 81%! By the same token some retailers would see no increase at all or possibly a decrease.

Of the six firms sampled, the increases ranged from \$3,400 to \$49,000.

It hardly seems equitable that one sector of business has no increase where another has extremely high increases

We urge "do not pass" on HB 174.

Thank you.

*Submitted by Rep. Driscoll
3/22/83*

PROPOSED AMENDMENT TO HB 850, third reading copy

EXHIBIT 12
Submitted by
Rep. Driscoll

Page 7, lines 7-10

STRIKE: " a material safety data sheet that has been prepared by the manufacturer under 29 C.F.R. Sec.1915.97(b) and (c), as that regulation reads (on the effective date of this act) for"

INSERT: " a hazardous or toxic substance disclosure list which includes"

Page 7, line 11

Following "workplace"

ADD: "The employer shall obtain a material safety data sheet from the chemical manufacturer that has been prepared under 29 C.F.R. 1915.97(b) and (c), as that regulation reads (on the effective date of this act), for every hazardous or toxic substance that appears in the workplace."



UNITED CEMENT, LIME AND GYPSUM WORKERS
LOCAL UNION NO. 239 AFL-CIO
THREE FORKS, MONTANA

EXHIBIT 13
Submitted by
Arlyn Plowman
3/22/83

Arlyn L. Plowman

NAME OF WRITER
Box 804

ADDRESS
Three Forks, Montana 59752
CITY, STATE AND ZIP

TESTIMONY OF ARLYN PLOWMAN BEFORE THE SENATE COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS,
MARCH 22, 1983, REGARDING HOUSE BILL 850.

My name is Arlyn Plowman and I am here representing United Cement, Lime, Gypsum and Allied Workers Local Union No. 239, Three Forks.

Mr. Chairman, members of the committee, you have before you very important legislation. Our union considers it crucial.

The Environmental Protection Agency has indicated (EPA 600/2-82-013) that cement kilns are a good place to incinerate toxic wastes. Not only do cement kilns have the capabilities to destroy or nearly destroy most toxic wastes, the heat produced by burning the wastes can be used in the production of cement.

No Montana cement plant is now burning toxic wastes. But, considering the high energy costs associated with cement manufacture we can expect more and more cement plants to install toxic waste supplemental fuel systems.

As Cement Workers and trade unionists, our main concern is that any use of toxic chemicals be made absolutely safe. History teaches that we as workers can not depend upon the "enlightened self-interest of management" for our protection. We must protect ourselves and our families. We can not protect ourselves unless we know what the dangers are. That is why we need House Bill 850, the "Right-to-Know" about chemical hazards we are being exposed to.

On Thursday, March 17, 1983, just five days ago, the Bozeman Daily Chronicle carried an article concerning the death of Wisconsin Congressman Obey's sister. I am quoting from that article.....

".....Obey cited his sister's death two weeks ago. He said a lung problem that surfaced during her treatment indicated an allergic reaction to some chemical and recounted how her doctor had trouble finding out what she had been exposed to at the plant where she worked.

He said the company, which he did not identify, told the doctor it did not release that kind of information."

Congressman Obey's family was able to find out what the problem chemical was by having someone go into the plant and read the label of the chemical. They were doubly fortunate. No doubt who ever it was who went into the plant to read the label violated company policy and could have been subject to punitive action had they been caught. And they were lucky that the label gave them the information the doctor needed. Often chemicals are brought to the workplace under innocent sounding trade marks or trade names that do not give indication as to what the substance actually is. Seldom do the barrels, drums and other containers of industrial chemicals carry information regarding their ingredients or possible hazards. Many times such chemicals are delivered and stored in bulk containers or tanks with no identifying labels.

March 22, 1983

EXHIBIT 13

When you or your spouse buys a consumer product, it has a list of ingredients on the label. We are asking that workers have access to that same kind of information about chemicals in the workplace.

pg 2

Enactment of House Bill 850 would do away with the dangerous lack of knowledge and the need to play detective, such as was the case with Congressman Obey's family.

Please support House Bill 850.

Thank you.

Attachment: House Testimony
3/17/83 Chronicle article
12/19/82 Chronicle article
Fact sheets



EXHIBIT 13

pg 3

UNITED CEMENT, LIME AND GYPSUM WORKERS
LOCAL UNION NO. 239 AFL-CIO
THREE FORKS, MONTANA

ARLYN PLOWMAN
Box 804
Three Forks, Montana 59752

TESTIMONY OF ARLYN PLOWMAN BEFORE THE HOUSE LABOR COMMITTEE - FEBRUARY 19, 1983

HOUSE BILL 850

Chairman, members of the committee, my name is Arlyn Plowman and I am representing the United Cement, Lime Gypsum and Allied Workers' Local #239, Three Forks.

We feel very strong about this bill. We introduced a resolution to the last Montana State AFL-CIO convention asking the Montana labor movement to join with us in our effort to give Montana workers the RIGHT TO KNOW.

Our resolution read as follows:

WHEREAS, for a safe and healthy life, workers, their unions and their communities must know about the hazards and potential hazards in the workplace and environment; and

WHEREAS, history teaches that we cannot depend upon our employers, management or corporations to protect us from toxic and hazardous substances; and

WHEREAS, the Reagan Administration reduced the less than optimum "right-to-know" OSHA standards of the Carter Administration; and

WHEREAS, the "right-to-know" standards being offered by the Reagan Administration are a fraud and cruel hoax;

THEREFORE BE IT RESOLVED, that the Montana State AFL-CIO take the necessary and appropriate action by political and other action supporting the enactment of adequate "right to know" legislation and regulation at the local, state, and federal level to make it possible for Montana workers and communities to protect their health, their safety and their environment.

SUBMITTED BY UNITED CEMENT, LIME, GYPSUM AND ALLIED WORKERS #239, AFL-CIO
CONVENTION VOTED CONCURRENCE.

We were very happy when the Montana State AFL-CIO's 26th Annual Convention unanimously adopted our resolution. We hope you will do the same.

Thank you.

OSHA accused of coziness with industry

WASHINGTON (AP) — A Democratic congressman is accusing the government's overseer of workplace safety of the same kind of tight relationship with industry that has the Environmental Protection Agency in trouble with Congress.

"Under your administration, workers who have been concerned about their own health have had to fight incredibly hard to get your agency to respond," Rep. David R. Obey of Wisconsin told Thorne Auchter, chief of the Occupational Safety and Health Administration.

Auchter acknowledged Wednesday that one element of a rating system for OSHA officials tends to penalize those whose enforcement actions generate a lot of industry complaints.

But he said it was "unmitigated hogwash" for Obey to suggest that agency policy results in personnel being judged "in a way which would not be the case in an agency that puts the

health of the public and workers first." The exchanges came during three hours of questioning at a hearing of the House subcommittee on labor, health, human services and education.

Obey — who revealed late in the hearing that his sister recently died of cancer — spent much of the time grilling Auchter on the details that led him to decide against issuing emergency restrictions on three chemicals suspected of causing cancer — formaldehyde, ethylene oxide and ethylene dibromide.

In a scenario similar to ongoing congressional investigations of EPA activity, Obey asked Auchter about in-house discussions and, when he professed a faulty memory about some details, read to him from agency documents obtained by the committee.

He also asked Auchter to supply the committee with dozens of documents about various cases handled by OSHA. Auchter said he would.

Obey said he will push for every committee of Congress with jurisdiction over OSHA to take a "very intensive" look at the agency's actions. The congressman took exception when Auchter suggested that their basic difference was over whether OSHA should have issued emergency restrictions on the three chemicals rather than go through the longer process of regular rule-making.

Obey said those three cases illustrate his broader concern with "a clear-cut pattern not to give the benefit of doubt in the slightest to people seeking relief."

He said Auchter's decisions stem either from poor judgment on his part or reflect a "broader problem that runs through this administration."

Obey was particularly critical of an OSHA decision to delay release of a recent study on asbestos that suggests that a lifetime of worker exposure to the substance might result in up to 260

cancer deaths per 1,000 workers.

It was in that context that Obey cited his sister's death two weeks ago. He said a lung problem that surfaced during her treatment indicated an allergic reaction to some chemical and recounted how her doctor had trouble finding out what she had been exposed to at a plant where she worked.

He said the company, which he did not identify, told the doctor it did not release that kind of information. Obey said the family finally found out what it was by having someone go on the floor of the plant and read the label of the chemical used there.

"That is one little example of the helplessness people feel dealing with industry," he said. "It illustrates the kind of helplessness people have when coming to your agency (for information) and being told, 'No, we're going to come down on the side of caution.'"

HAZARDOUS DETAILED UNKNOWN

By LYNN ISRAEL

Chronicle Staff Writer

Virtually unnoticed, hundreds of train cars and truck tankers pass safely through Gallatin County each week, some carrying hazardous wastes that are fatal if inhaled or explosive if exposed to air or water.

Officials are concerned that the materials are not just potentially dangerous.

The materials are a mystery. Officials charged with protecting public safety say they don't know what kind, how much or when the materials roar down Interstate 90 or roll by on Burlington Northern's tracks.

With ominous sounding names such as phosgene, nitric acid, hydrogen cyanide and acrylonitrile, the chemicals are part of a moving pipeline that grows larger — and, officials say, more worrisome — each year.

"What really bothers me in this chemical age is that there is a lack of communication between the chemists who invent a chemical, the manufacturers who make it, the people who transport it, those who deal with the spills and others who clean it up," Hank Wruck, Gallatin County civil defense director, said.

"Our total educational process to deal with it has not kept up with the technology."

He said Gallatin County has "been lucky" in avoiding serious problems with hazardous material accidents. But he said the possibility of such an occurrence becomes greater each year as more and more chemicals are produced and transported on Montana's highways and BN's rails.

"It's an ongoing problem and it's not going to get better here," Wruck said.

"There's no possible way we'll ever know how much is coming through here."

To emphasize the complexity of the problem, Wruck held up two booklets published by the U.S. Department of Transportation listing more than 2,000 hazardous materials that are transported across the country. Many are poisonous, corrosive or flammable, while others are odorless and colorless. Some cannot be extinguished with water, and many may require evacuation up to two miles or more from the site of the accident.

Officials say the response to any hazardous material accident, whether it be on a train or truck, would be by the Gallatin County Sheriff's Department or the Montana Highway Patrol, the latter if it is an incident on the interstate. Depending upon the circumstances, other agencies could respond — fire departments, the county civil defense, police, or state or federal agencies such as the Environmental Protection Agency or even the U.S. Coast Guard.

There are also private agencies, such as Chemtrec, that specialize in controlling hazardous material accidents.

Fire officials joke, with a touch of sarcasm, that the handiest tools you can use at any hazardous materials accident site is a pair of tennis shoes and a pair of high-powered binoculars.

Bozeman Fire Department Capt. Dan Figgins, who has attended two hazardous materials training seminars at the National Fire Academy in Emmitsburg, Md., said the department's initial response to any accident would be first to identify the materials involved and then handle the incident to the limit of their capabilities while also notifying the proper agencies.

Figgins said the sheer quantities of materials now being transported on the highways result in each incident requiring a different response to different materials.

"You can train for hours and hours and days and days and then have a situation that you've never trained for," Figgins said.

"Some of these chemicals can scare you to death. When you walk through some of these products and your rubber boots dissolve you become apprehensive."

Fortunately for Montana, the incidents of serious hazardous materials spills have been few.

Probably the worst accident in the last 10 years was in 1976 at Belt when several derailed BN cars, including one carrying propane, crashed into fuel tanks in the town of 850 people. Two people were killed in the ensuing explosion.

In 1974, a semitrailer truck carrying 40,000 pounds of a chemical herbicide wrecked and spilled most of the contents on the roadside near the boundary of Glacier National Park; and in 1981, a derailment of BN tank cars, some containing phosphorous, tipped over near some bulk fuel stores in Helena.

Dick Peterson, deputy administrator of the Department of Health and Environmental Sciences in Helena, said Montana doesn't have the number of incidents that plague California or the southeastern United States. He said that is because of the relatively small quantity and types of materials shipped through non-industrial Montana and because of efforts made by BN and the trucking industry to improve safety factors involving those materials.

"The DHES has reports of probably 50 to 80 hazardous material reports each year," Peterson said. "Of those probably 80 to 90 percent are oil spill products and around 10 percent, maybe less, are hazardous materials. Most of those are minor, for example a truck turned over but nothing spilled."

However, those statistics do little to assure some rural fireman such as Jim Balke of Belgrade, the president of the Belgrade Rural Fire District and a firefighter for 27½ years. "We've been lucky in Montana," he said. "But pick up the paper, turn on the television and sometime during the month, you're going to see an accident involving hazardous materials, case in point, Livingston, La."

"If it can happen here, it will happen sooner or later."

(continued on reverse)

"One of the problems we face is overloading by shippers or a shipper trying to ship a product under a different label, hence a cheaper freight rate, although that isn't too pronounced," Brown said.

Brown emphasized that BN doesn't transport as many of the "exotic chemicals" shipped by railroads in major manufacturing areas of the United States.

According to latest BN statistics, the major types of chemicals shipped through the state includes LP gases used in the manufacture of plastics, and ammonia anhydrous and ammonia nitrate, both used in agriculture.

Brown said that in the event of a derailment each train conductor has a complete manifest listing the amounts and types of hazardous materials in each train. The manifests, BN officials claim, are available to local officials.

However, some local officials are concerned about past actions of BN.

Wruck and Gallatin County Sheriff's Capt. Carl Smith said BN did not notify them Sept. 1 when about 10 cars derailed 1 mile west of the Jackson Creek turnout.

"We were not notified until about two hours after the accident and then it was someone from the state Department of Highways who just happened to be going by," Smith said. "There were no injuries and no hazardous materials but there is always that possibility and we should have been contacted."

Officials say another concern is truck operators who do not have to legally placard their vehicles if they are hauling hazardous materials under a certain weight limit.

Bozeman Deputy Fire Chief Ed Welch said the chemicals are sometimes transported with other materials that if combined create additional problems.

"With every accident it's a whole new ballgame," Welch said. "It's disquieting."

Balke speaks from experience. He once suffered lung burns while helping some families evacuate from a Belgrade neighborhood when ammonia anhydrous leaked from the Montana Agri-Chemicals Inc. He said that while Belgrade's firemen may have much of the necessary equipment to deal with most accidents, they are generally lacking in experience.

"Until you get hands-on experience you cannot realize what is involved in dealing with these things," he said.

Transportation officials claim that safety measures have been increased. Bill Joplin, BN spokesman, said the Billings region, which includes all of Montana, has one of the best safety records system-wide in BN for train accidents per million miles.

BN officials say they have improved their train cars and have also developed safety programs aimed at making employees more safety-conscious.

Tom Brown, who was recently appointed as BN's hazardous materials officer, said his duties include hazardous material education. The educational program teaches BN employees, local fire and law enforcement officials how to handle hazardous materials.

"BN created my position because our volume of hazardous materials is growing each year," Brown said, adding that BN's efforts to improve cars have included "head shields" that reduce the likelihood of a tank car being ruptured and the use of "shelve couplers" which help keep cars upright in the event of a derailment.

Brown said, however, that BN does encounter problems in transporting hazardous materials.

James Balke, Belgrade Volunteer Firefighter, is a member of Cement Workers Local 239.

Several other members of our union are also volunteer firefighters. Another reason why we support H.B. 850



Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

R I G H T T O K N O W
H O U S E B I L L 8 5 0

DISCLOSURE OF HAZARDOUS OR TOXIC SUBSTANCES ACT

HOUSE BILL 850, the RIGHT TO KNOW bill, provides that employers disclose information about the identity and health hazards of certain substances found in the workplace. It also provides that emergency personnel be given this information in an emergency, such as a fire or toxic spill.

HOW HOUSE BILL 850 WORKS:

----- Montana employers can use the Material Safety Data Sheets which many manufacturers of toxic chemicals currently make available under Federal OSHA requirements. These sheets contain the necessary information as required by HOUSE BILL 850.

----- In the event of an accident, in the course of transporting hazardous or toxic substances, manifests or other pertinent information such as hazard sheets, must be made available upon request to authorized emergency personnel.

----- Legitimate trade secrets are strictly protected. (Section 10)

----- Workers' rights to obtain this information or to refuse to perform dangerous work until the information is provided are protected. (Section 5)

----- The transportation of hazardous or toxic substances in the state is not included in this act except:

- when those compounds are in one location for more than 72 hours or longer or
- when an accident has occurred.

----- **EXEMPTIONS:** Not included are chemicals already regulated under Federal Insecticide, Fungicide and Rodenticide Act, consumer products, and ingredients regulated under the Montana Food and Drug and Cosmetic Act.

WHY MONTANA NEEDS HOUSE BILL 850

Thousand of toxic chemicals and hazardous substances are used daily in the workplace and transported daily. Public exposure to these chemicals -- in the workplace and in our communities -- has increased significantly, often resulting in tragic accidents and devastating health hazards. Many chemicals used in factories and plants eventually

- PAGE TWO -

find their way into the air and water supply, seriously affecting the health of our communities.

Although workplace hazards and exposure levels are currently regulated by the federal Occupational Safety and Health Administration, the Reagan administration has moved to weaken significantly workers' protection. Many states are enacting workers' right to know about the hazards of chemicals they are working with.

Most workplace chemicals are labeled only with their trade names, not with their actual contents. Many hazardous substances are used or transported through our state labeled only with trade names, and without vital information on how to deal with accidents or health hazards.

Montanans have the right to know the hazardous substances they are exposed to in order to prevent accidents and illnesses or to obtain prompt and accurate diagnosis and treatment.

POTENTIAL COSTS

The preliminary report from the state's Budget Office project minimum costs. There is a possibility that an additional FTE for the state's Occupational Health Bureau may be needed.

YOUR STRONG SUPPORT

FOR THIS IMPORTANT PIECE OF LEGISLATION

IS NEEDED AND GREATLY APPRECIATED !!!

V O T E YES ON HOUSE BILL 850

R I G H T T O K N O W

HOUSE BILL 850

DISCLOSURE OF HAZARDOUS OR TOXIC SUBSTANCES ACT

Commonly known as the RIGHT TO KNOW BILL, HB 850 would require employers who use, store, process or manufacture toxic or hazardous substances to disclose to workers or potentially affected citizens, upon request, the common names and health and safety hazards of these substances. This disclosure is based on the premise that employers and employees have the right and a need to know the properties and potential hazards of substances to which they may be exposed. This knowledge is essential to reducing the incidence and cost of occupational disease and workplace accidents.

HOUSE BILL 850, sponsored by Representative Jerry Driscoll (D- Billings) would provide important information to those who might suffer acute or chronic health problems or who might be seriously injured from exposure to hazardous or toxic materials used in the workplace.

HOUSE BILL 850 also gives emergency personnel such as firefighters critically needed protection by providing this same information to local fire departments. and in the case of emergency such as a derailment, necessary information on hazardous materials is provided to the emergency officer in charge.

HOW HOUSE BILL 850 WORKS:

----- Under federal OSHA requirements many manufacturers of toxic chemicals now compile and provide Material Safety Data Sheets (MSDS) to workers. This sheet provides an important informational profile of the particular hazardous substances -- the health effects, use, hazards, possible symptoms of over-exposure, safe handling procedures, personal protection equipment and emergency treatment procedure. An employer in Montana using these substances maintains a MSDS for each toxic chemical in the workplace and supplies this information to any employee or nearby citizen who requests it. (Section 4)

----- The employer also compiles a simple list of all toxic or hazardous substances used or stored in the workplace, posts the list in the work area (Section 7) and submits a copy to the Department of Health, (Occupational Health Bureau) and to the local fire departments and workers only upon request. (Section 4)

----- In the event of an accident in the course of transporting hazardous or toxic substances, manifests or other pertinent information such as hazard sheets, must be made available upon request to authorized emergency personnel.

----- Legitimate trade secrets are strictly protected. (Section 10)

----- Workers rights to obtain this information or to refuse to perform dangerous work until the information is provided are protected. (Section 5)

----- EXEMPTIONS: Any chemical regulated under Federal Insecticide, Fungicide, and Rodenticide Act, consumer products and ingredients regulated under the Montana Food and Drug and Cosmetic Act.

WHY MONTANANS NEED HOUSE BILL 850

In recent years, tremendous quantities of chemicals essential to our modern industrial society have been produced and are being used and transported daily. Public exposure to these chemicals -- in the workplace and in our communities -- has increased significantly, often resulting in tragic accidents and devastating impacts. For every dramatic incident that makes the newspapers, however, there are thousands of workers being slowly and unknowingly poisoned on the job or exposed to unknown dangers in the course of fighting a fire, or cleaning up a toxic spill.

R I G H T T O K N O W

HOUSE BILL 850

DISCLOSURE OF HAZARDOUS OR TOXIC SUBSTANCES ACT

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----- In the event of an accident in the course of transporting hazardous or toxic substances, manifests or other pertinent information such as hazard sheets, must be made available upon request to authorized emergency personnel.

----- Legitimate trade secrets are strictly protected. (Section 1a)

----- Workers rights to obtain this information or to refuse to perform dangerous work until the information is provided are protected. (Section 5)

----- EXEMPTIONS: Any chemical regulated under Federal Insecticide, Fungicide, and Rodenticide Act, consumer products and ingredients regulated under the Montana Food and Drug and Cosmetic Act.

WHY MONTANANS NEED HOUSE BILL 850

In recent years, tremendous quantities of chemicals essential to our modern industrial society have been produced and are being used and transported daily. Public exposure to these chemicals -- in the workplace and in our communities -- has increased significantly, often resulting in tragic accidents and devastating impacts. For every dramatic incident that makes the newspapers, however, there are thousands of workers being slowly and unknowingly poisoned on the job or exposed to unknown dangers in the course of fighting a fire, or cleaning up a toxic spill.



MONTANA STATE BUILDING & CONSTRUCTION TRADES COUNCIL
 IN AFFILIATION WITH
THE NATIONAL BUILDING & CONSTRUCTION TRADES DEPARTMENT
 AMERICAN FEDERATION OF LABOR — CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mitch Mihailovich

Submitted by Larry
 Dan Jones

President

Secretary-Treasurer

Persinger

3/22/83

Testimony of Larry Persinger
 House Bill 850
 Senate Labor and Employment Relations Committee
 March 22, 1983

I am Larry Persinger, representing the Montana State Building and Construction Trades Council. We support House Bill 850, which will provide important information to our workers about the hazards of the substances they are exposed to.

Construction workers work with a great many hazardous substances and toxic chemicals. Because most of them are manufactured under trade names, we are often not aware of their chemical compositions or the health hazards they can cause. In many cases, our employers are not aware of the potential problems involved. This bill would provide that information to employers and to workers, so that preventive measures could be taken for worker protection.

Many of our workers are exposed to asbestos, but they are not aware of it. Therefore they do not take precautions when working around it. Asbestos can cause severe lung injury and cancer of the lungs, stomach, and colon.

Carpenters are frequently exposed to resin and glue which causes possible brain damage.

A common problem for Operating Engineers is exposure to exhaust fumes, which can cause permanent damage to the nervous system and damage to the liver and kidneys, as well as possible cancer.

The point is that most of these illnesses can be prevented with accurate information which can lead to adequate protections. This bill would provide that information for the benefit of Montana workers.

Please vote for House Bill 850. Thank you.

WOMEN'S LOBBYIST FUND

Box 1099
Helena, MT 59624
449-7917



EXHIBIT 15
Submitted by
Stacy Flaherty
3/22/83

TESTIMONY OF THE WOMEN'S LOBBYIST FUND BEFORE THE SENATE LABOR COMMITTEE IN
SUPPORT OF HOUSE BILL 850 ON MARCH 22, 1983.

The Women's Lobbyist Fund supports HB 850 for disclosure of hazardous or toxic substances to workers and communities. Ever since the Karen Silkwood incident in Oklahoma, women's groups across the country have been concerned about and involved in the efforts to pass "right-to-know" legislation.

In their activities on providing information on hazardous materials, women's groups have focussed on health risks especially during childbearing years and those passed on from parents to children. These risks include reduced fertility in men and women, increased birth defects in children, higher rates of miscarriages, concentrated levels of toxins in nursing infants, and latent cancer in children. Because women make up the bulk of low paid, part-time, transient workers--they are particularly likely to be exposed to hazardous materials.

Thank you for your kind consideration of House Bill 850.

Speaker: John W. Julia, Vice President for Research and Development, Montana State University

Ms. Fava Thompson, Dept. of Environmental Health, University of Minnesota, Minneapolis

Howard Beatty, Department of Civil Engineering, Montana State University

Edward W. Laflin, Manager, Market Research, Department of Chemicals International, Inc., Niagara Falls, NY

Roger Thorp, Solid Waste Management Bureau, Helena, MT

John W. Julia

Malcolm M. Henley, Chair, ACS Division of Chemical Health & Safety, Moscow, ID

Don Beverman, Chemistry Department, MSU, Bozeman

Arnold Craig, Chemistry Department, MSU, Bozeman

Forrest Thomas, Chemistry Department, UM, Missoula

U. Rio Cass, Attorney at Law, Milwaukee, WI

EXHIBIT 16
Submitted by
Larry Weinberg
3/22/83

Topic: Openings/Remarks

Hazardous Waste: How does the problem arise?
Discussion

The Modern Sewer: What Happens When You Pour Down the Sink?
Discussion

BREAK

Solid Waste Disposal Now & in the Future
Discussion

Solid Wastes in the Big Sky Country
Discussion

Wrap-up

LUNCH

Safety in the Laboratory
Discussion

What is Safe and What Isn't?
A panel discussion

BREAK

The Law and the Classroom
Discussion

Wrap-up

Time: 9:00

Topic: The Montana Academy of Sciences and the Section of the American Chemical Society have sponsored the following symposium to encourage discussion of the serious problems which face us in dealing with hazardous wastes and chemical safety. We hope this symposium will be of special interest to laboratory personnel and administrators dealing with waste disposal and safety issues to regulatory agencies and to teachers for science at high school and advanced levels.

Time: 9:10

Topic: Hazardous Waste: How does the problem arise?
Discussion

Time: 9:35

Topic: The Modern Sewer: What Happens When You Pour Down the Sink?
Discussion

Time: 9:45

Topic: The Modern Sewer: What Happens When You Pour Down the Sink?
Discussion

Time: 10:00

Topic: The Modern Sewer: What Happens When You Pour Down the Sink?
Discussion

Time: 10:20

Topic: BREAK

Time: 10:30

Topic: Solid Waste Disposal Now & in the Future
Discussion

Time: 10:55

Topic: Solid Waste Disposal Now & in the Future
Discussion

Time: 11:05

Topic: Solid Wastes in the Big Sky Country
Discussion

Time: 11:30

Topic: Solid Wastes in the Big Sky Country
Discussion

Time: 11:40

Topic: Wrap-up

Time: 11:50

Topic: LUNCH

Time: 1:15

Topic: Safety in the Laboratory
Discussion

Time: 1:45

Topic: Safety in the Laboratory
Discussion

Time: 2:00

Topic: What is Safe and What Isn't?
A panel discussion

Time: 2:45

Topic: BREAK

Time: 3:00

Topic: The Law and the Classroom
Discussion

Time: 3:30

Topic: The Law and the Classroom
Discussion

Time: 3:45

Topic: Wrap-up



The symposium will be held on April 9th, 1983, in conjunction with the annual meeting of the Montana Academy of Sciences. The meeting will be on the MSU campus in Reid Hall. Attendees must be members of the Montana Academy of Sciences; membership is \$7.50 for the year, which may be paid at the time of registration.



JAMES W. MURRY
EXECUTIVE SECRETARY

Box 1176, Helena, Montana

ZIP CODE 59624
406/442-1708

EXHIBIT 17
Submitted by
Jim Murry
3/22/83

TESTIMONY OF JIM MURRY ON HOUSE BILL 850, HEARINGS OF THE SENATE LABOR
AND EMPLOYMENT RELATIONS COMMITTEE, MARCH 22, 1983

I am Jim Murry, executive secretary of the Montana State AFL-CIO.

I am here to testify in strong support of House Bill 850. This bill provides that employers disclose information about the identity and health hazards of certain substances found in the workplace. It also provides that emergency personnel be given this information in an emergency.

This bill provides essential safeguards for the health and well-being of workers and of the general public. Workers are exposed to thousands of substances which contain toxic or hazardous chemicals. More than 100,000 American workers die every year from occupational diseases. Health professionals estimate that as many as 45 percent of all cancers are caused by carcinogens -- cancer-causing agents -- in the workplace. Health professionals estimate that as many as nine out of ten occupational diseases are preventable.

Montana workers have a right to know about the chemicals and industrial agents with which they work. They have a right to know the effects on their health, right now and in the long run. They have the right to know how to recognize them and guard against exposure. They have the right to know the effects on their spouses and children.

There are long-term symptoms that do not show up until years later. The knowledge of what chemicals are being used and what the short term and long range effects may be is vital for the prevention of occupational disease. It is also vital in allowing health professionals

According to the Division of Workers' Compensation of the state's Department of Labor and Industry, there were 327 reported accidents in Fiscal Year 1982 which involved hazardous substances. These accidents occurred in a wide variety of industries including agriculture, mining, construction, manufacturing, transportation, trade, services and government. The Division also notes that they receive numerous requests from both the private and government sectors regarding potential health threats from agents and substances used at the workplace, but these are not classified as formal complaints. Their routine inspections of government operations and on-site consultation programs also reveal potential health threatening situations.

The Montana State AFL-CIO is convinced that there are many more illnesses and health problems resulting from the exposure to hazardous substances than are reported to the Workers' Compensation Division. We are convinced that this is because the lack of knowledge regarding these substances prevents accurate diagnosis and reporting.

For example, chemical exposure can cause such diverse symptoms as central nervous system disorders, problems with physical coordination, erosion of teeth or unexplained weakness or fatigue. The exposure can cause serious health problems for workers' spouses or children, too. These problems can include premature or still births to the wives of workers, or cancer in the workers' children. The harmful effects can be both physical and emotional. It is doubtful that workers or their families experiencing some of these health problems are knowledgeable enough about exposure to chemicals to inform their doctors of the possible cause of the problem.

This bill will help prevent serious health problems for workers, their families and the public. It will aid in prompt and accurate medical diagnosis and treatment.

We urge you to vote for House Bill 850.

Thank you.

EXHIBIT 18
Submitted by
Wyatt Frost
3/22/83

I am Wyatt Frost, representing the Cement, Lime, Gypsum and Allied Workers, Local 239, AFL-CIO. We support House Bill 850.

I would like to tell you about an incident in the cement plant at Three Forks, which points up the need for this bill. We were using a compound called Norback for patching, which was not labeled about what chemicals it contained. What was happening was that when welders were welding around the patches, they started getting sick. They experienced sore throats, voice loss, nausea, dizziness and weakness. Several of them lost work days because of this.

They complained to the company, but the company didn't believe their illness was the result of the patching compound. When a Mining Safety and Health Administrator representative came to the plant, the workers informed him they were getting sick. He sent the compound to an independent testing lab. The lab reported that the substance did release dangerous fumes, especially when combined with heat, such as in welding.

This substance is no longer used at the plant, but the workers still do not know exactly what toxic substances caused their sickness, and they do not know what the long range effects may be.

If we had known the dangers, as this bill would provide, we could have prevented sickness and lost work days.

Thank you.

NORTHWEST SCIENTIFIC, INC.

P. O. Box 1811

BILLINGS, MONTANA 59103

EXHIBIT 19

Submitted by

Mr. Yaring

Telephone (406) 252-3263

Chemicals — Scientific Supplies

March 4, 1983

3/22/83

Northwest Scientific is a distributor of laboratory chemicals and supplies. It has been in business for 35 years, is locally owned, and is the only such enterprise based in the State. Customers include testing and research laboratories; colleges, universities, and secondary schools; clinical laboratories; and pharmacists, veterinarians and like professionals.

This is to request your consideration of amending the subject Bill by addition of a new paragraph to Section 3 to read as follows:

"() products packaged for distribution to and intended for use by research, testing, clinical, and industrial laboratories, bona fide educational institutions and professional users, including any labeled product stored in the workplace, if they remain labeled and in the same package as received from the manufacturer and distributed to the user."

The reasons for our request are, first, that it does not appear to be the intent of the Bill to cover an employer who temporarily stores small volume laboratory chemicals (many of which can be, of course, hazardous) in the original sealed containers for distribution to the above named users. Rather, the thrust is for the safety of employees and the public in the manufacture, processing or use of hazardous substances in the workplace, none of which we do. There is essentially no health hazard to anyone in our operations. The same operation as ours is conducted by the Chemistry Stores Departments at Montana State University in Bozeman and at University of Montana in Missoula. These operations are exempt from the Bill per Section 3, paragraph (4), and ours should be too.

Secondly, our proposed amendment is nothing but an extension of Section 3, paragraph (1), except that it is more restrictive in that we are not including the "use", only the storage; and not in the "approximate" volume, form, etc. but in the exact same form. Since it flows easily for paragraph (1), we suggest that it be numbered paragraph (2) and the balance of Section 3 paragraphs be advanced one number.

Thirdly, it would be virtually impossible for us to comply with all the provision of the Bill, particularly those having to do with the listing of

all possible hazardous substances, material safety data sheets or the medical implications thereof. There are thousands of laboratory chemicals, most packaged in small bottles - - 4 ounce, 1 pound, 1 pint, etc. For the more frequently used ones, which is a small percentage of the total, the material safety data sheets, information on the labels and the like as required in Section 4, are available and we comply. For the balance, the information is not available or ill-defined.

Sincerely yours,

NORTHWEST SCIENTIFIC, INC.

By John R. Butler
John R. Butler, President

JRB/nh
Enclosure

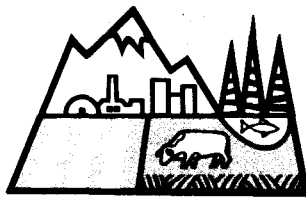


EXHIBIT 20
Submitted by
Janelle Fallan
3/22/83

P. O. BOX 1730

• HELENA, MONTANA 59624

• PHONE 442-2405

Testimony
before the
Senate Labor and Employment Relations Committee
Gary C. Aklestad, Chairman
in opposition to
HB 850
by
Janelle K. Fallan
Public Affairs Manager
Montana Chamber of Commerce
March 22, 1983

We do not oppose the intent of HB 850; we do not oppose the bill as described in the title. However, there are many serious problems within the substance of the bill that the sponsors may not have intended.

The major problem is with the definition of toxic substance on Page 5, lines 2-4. This file includes about 45,000 substances, including such a variety of items as sugar, salt, nutmeg, turpentine, dishwashing detergent, mothballs, corn oil, aspirin, nicotine, caffeine and vanilla.

Other federal lists, such as the OSHA Subpart Z list, might be more useful -- that is the one that has been adopted by some states.

Two types of business that would be particularly hard-hit by this bill are dry-cleaners and gas stations. However, it would also affect restaurants, offices and hotels because of cleaning supplies. Those are just a few -- probably every business not

specifically exempted by the provisions of Section 3 would be affected by this bill.

We would recommend that Section 3 be amended also to exclude products packaged for laboratories and educational and professional users, if they remain labeled and in the same package as received from the manufacturer. This is in line with the language in paragraph 1 of Section 3.

With or without the definition change, the requirements of Section 5, that an employer supply a material safety data sheet within one day of request, is unreasonable stringent. If the data sheet must be obtained by mail, it would take at least a week. And if the definition is not narrowed considerably, an employer could be required to produce a data sheet for virtually every substance in the workplace. Until the employer did so, the employees would be on vacation.

Maintaining lists for 40 years as required by Section 6 would be unjustifiably burdensome unless the definition is changed.

Finally, requiring this information to be on file with the local fire department would also present some problems. Even if the definition is changed, you are talking about things like the kind of dishwashing detergent used in restaurants. Such substances are lables as hazardous -- they will burn your skin or eyes, for example. Is this what the fire chief is going to ask for under Section 8?

As HB 850 is written, protection of employees from genuinely hazardous substances would occur only as a side effect. Instead,

Testimony
HB 850
Montana Chamber of Commerce
March 22, 1983
Page 3

EXHIBIT 20

pg 3

what the bill presents is the opportunity to harass a number of
business -- particularly small business -- for reasons only marginally
concerned with employee safety.

/ssg

EXHIBIT 21
Submitted by
George Allen
3/22/83

Mr. Chairman and Members of the Committee:

My name is George Allen and I am the Executive Vice President of the Montana Retail Association. I am here today to oppose House Bill #850 as written.

It would be my recommendation that this bill be killed in its present form. If you feel there is a need for the bill, we strongly recommend the acceptance of our amendments. Attached please find a copy of my proposed amendments. All that they do is remove the retailer from under the control of this bill.

Thank you for your consideration.

Respectfully Submitted,

GEORGE E. ALLEN
Executive Vice President
Montana Retail Association

March 15, 1983

EXHIBIT 21
pg 2

PROPOSED AMENDMENT TO HOUSE BILL #850

Amended as follows:

1. Page 1, line 10 - of Statement of Intent
Following: "require"
Insert: "certain"

Page 1, line 6. - from the bill
2. Following: "require"
Insert: "certain"

3. Page 1, line 20.
Following: "manufacture"
Strike: ","
Insert: "or distribute and thus"

4. Page 3, line 13
Following: "a"
Insert: "manufacturing or non-retail distributing facility"

5. Page 3, line 18.
Following: "partnership"
Strike: ","
Insert: "or"
Following: "Association"
Strike: ","
Insert: "engaged in the manufacturing or non-retail distribution
of goods or services and any"

6. Page 3, line 18.
Following: "agency"
Strike: ","
Insert: "."

7. Page 3, line 18
Following: "."
Strike: "or other"

8. Page 3, line 19.
Strike: "entity engaged in business or providing services who has"

9. Page 3, line 20
Strike: "employees."

EXHIBIT 21
Submitted by
Geroge Allen
3/22/83

Mr. Chairman and Members of the Committee:

My name is George Allen and I am the Executive Vice President of the Montana Retail Association. I am here today to oppose House Bill #850 as written.

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Thank you for your consideration.

Respectfully Submitted,

GEORGE E. ALLEN
Executive Vice President
Montana Retail Association

PROPOSED AMENDMENT TO HOUSE BILL #850

EXHIBIT 21
Submitted by
George Allen
3/22/83 pg 2

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